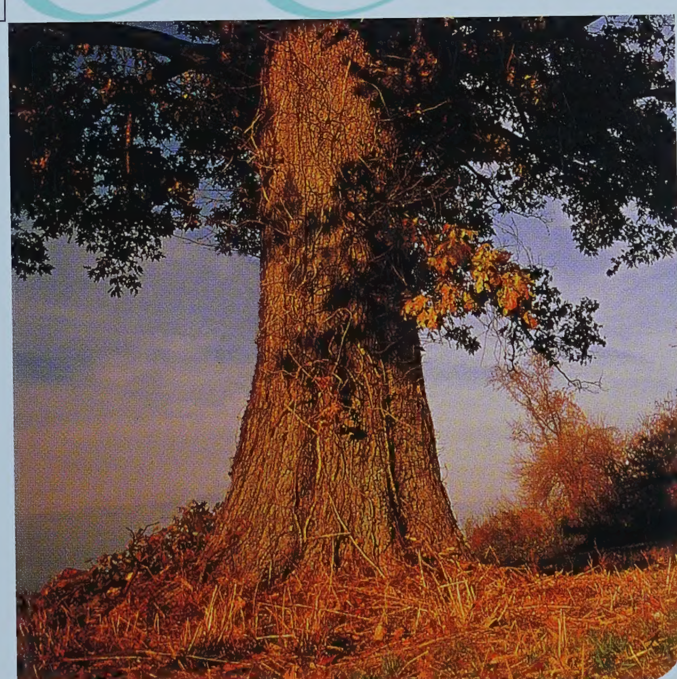
1999

Emco Limited Annual Report

The foundation for growth



1999

Emco Limited is one of Canada's leading distributors and manufacturers of building products for the residential, commercial and industrial construction markets. With annual sales exceeding $1.2 billion, Emco has leading market positions in each of its businesses, with significant opportunities for growth.

Contents

On the cover

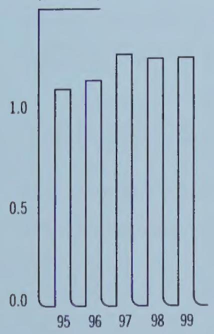
Establishing a solid foundation for growth in our businesses and growth in value for our shareholders

Financial highlights

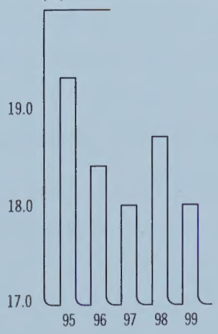
December 31	1999	1998
Operating Results *(in thousands of dollars)*		
Sales	1,244,216	1,242,721
Operating earnings[1]	31,796	42,294
Gains on disposals (before tax)	2,188	25,005
Net earnings	10,688	29,419
Cash flows from operating activities	15,333	128
Purchases of property, plant, equipment	11,340	13,421
Financial Position *(in thousands of dollars)*		
Working capital	245,159	235,033
Total assets	561,580	548,891
Total debt	213,250	137,618
Shareholders' equity	171,654	235,585
Per Common Share *(in dollars)*		
Net earnings (on a fully diluted basis)	0.43	1.09
Book value	7.89	8.08
Stock price - TSE close	5.80	10.00
Shares outstanding (in thousands)	15,912	23,758
Key Ratios		
Sales per employee (in dollars)	416,265	410,912
Operating earnings per employee (in dollars)	10,639	13,025
Current ratio	2.6:1	2.5:1
Total debt to equity	1.2:1	0.6:1
Total assets to total debt	2.6:1	4.0:1
Accounts receivable days sales outstanding (DSO)	47	46
Inventory turns	4.3	4.3
Working capital turns	4.7	4.5

[1] Before restructuring charge in 1998

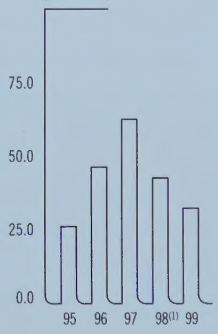
Sales
($billions)



Selling and Administrative Expenses (as a % of sales)
(%)



Operating earnings
($millions)



at a glance Emco Distribution

Emco Distribution is one of North America's largest integrated wholesale distributors of products for the construction industry with 2,000 employees, and a network of over 140 branches and distribution warehouses in Canada and the United States. Emco Distribution supplies brand name products such as Delta, American Standard, Moen, Kohler, Trane, Canplas and Victaulic to contractors, utilities, governments and major industrial customers across Canada. And as a master distributor, Emco supplies industrial carbon and stainless steel pipe in Canada and flanges and fittings throughout North America.

Financial Summary

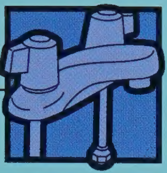
(December 31)	1999	1998
(in thousands of dollars)		
Sales	974,069	965,584
Operating earnings [1]	23,499	30,892
Identifiable assets	378,585	378,809
Depreciation and amortization	3,854	3,561
Capital expenditures	4,058	4,585

[1] Before restructuring charge in 1998

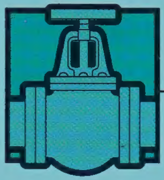
Traditionally a plumbing wholesaler, Emco has diversified its distribution business in recent years by expanding in three additional product categories: waterworks; industrial pipe, valves and fittings (PVF); and heating, ventilation, air conditioning and refrigeration (HVAC/R). Waterworks sales have increased dramatically through a combination of acquisitions and internal growth. Sales of industrial products have also increased, although the weakness in the resource sector in the last two years has had a negative impact in western Canada. And Emco's strategy of becoming a national supplier of brand name HVAC/R products through its existing Canadian branch network presents opportunities for growth in this category.

Residential construction rebounded in 1999 in eastern Canada and is expected to continue at high levels in 2000. Recent increases in prices in the oil and gas sector will lead to sales growth in the industrial products category. An increase in construction activity generally in western Canada is expected to result in increased sales of plumbing, waterworks and HVAC/R products.

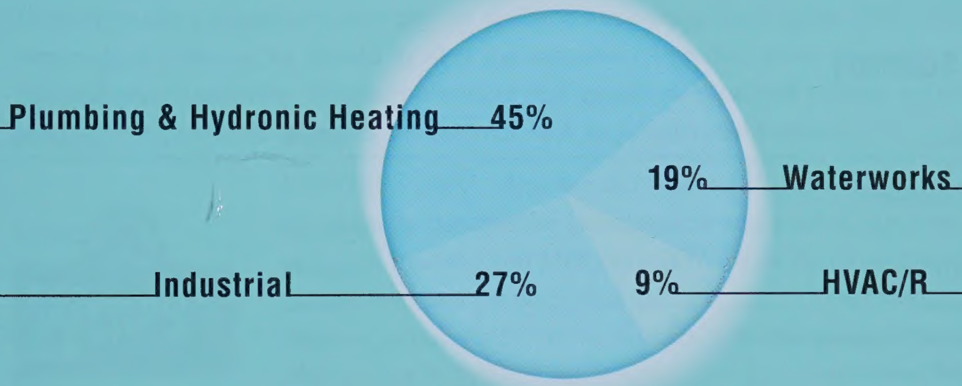
Emco Distribution is currently redesigning its business processes in Canada, focusing on improvements in customer service and supported by a low cost, efficient supply chain network.



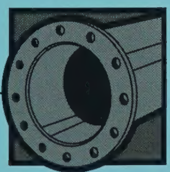
Emco Distribution is Canada's largest wholesaler of plumbing and hydronic heating products selling brand name kitchen and bath fixtures and accessories and related plumbing products, pipe and fittings to residential and commercial contractors. Residential and non-residential new construction and renovation are the largest markets for the products that we distribute. New residential construction activity in Canada has grown by 17.5% since 1996, based on the number of housing starts, and is expected to increase by 4.6% next year. Growth in renovation spending in Canada has been steady for a number of years with an expected increase of 5.8% in 2000 over 1999. Emco believes its sales of plumbing products will increase as changes to its customer sales processes are completed. We are also targeting the renovation market in Canada for growth in sales to this customer segment.



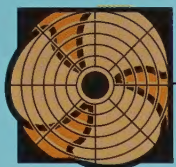
Emco Distribution is the leading distributor of polyvinylchloride (PVC) pipe, valves and hydrants to the waterworks market across Canada. Product knowledge, service and on-time delivery are the cornerstones of our approach to meeting customer needs. We are expanding our waterworks business by adding geotextile products and high density polyethylene (HDPE) pipe, and have also expanded our presence significantly in Ontario and Québec through acquisitions. The new Distribution Centres will provide opportunities to generate even greater sales volumes.



1999 Sales by Product Category



Under Emco Distribution's industrial product category, we sell carbon steel, stainless steel and special alloy pipe, valves and fittings (PVF) primarily to the oil and gas sector (chemical and petro-chemical), the pulp and paper industry, water and wastewater treatment facilities and mining and smelting operations. Our Strategic Account Management program develops partnerships with key national and regional industrial accounts by offering a variety of solutions in the management of their entire maintenance, repair and operating inventory. We are also Canada's largest coast-to-coast Fire Protection distributor through our national network of integrated branches. A dedicated team of employees within the industrial products category is focused on growing our offshore oil and gas business in Atlantic Canada. And finally, Emco is a master distributor of industrial flanges and fittings in the U.S. and Canada.



As a key distributor of heating, ventilation, air conditioning and refrigeration (HVAC/R) equipment in Canada, Emco Distribution supplies contractors with brand name products including Trane heating and air conditioning equipment, Tecumseh compressors and Honeywell controls and accessories. We are targeting growth in this industry by establishing a network of knowledgeable specialists who are located within our existing branch network across Canada.

Emco Manufactured Building Products

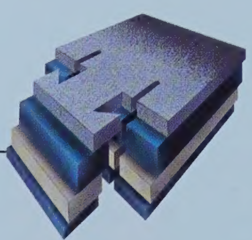
Emco Manufactured Building Products includes the Building Products division (Building Products) and Metcraft Inc. (Metcraft). Emco's manufacturing businesses employ nearly 1,000 people in four production facilities located in LaSalle and Pont Rouge, Québec, Edmonton, Alberta and Grandview, Missouri. A continuous investment in technology keeps these facilities operating efficiently.

Financial Summary

(December 31)	1999	1998
(in thousands of dollars)		
Sales	270,147	250,113
Operating earnings	16,898	16,926
Identifiable assets	166,902	153,855
Depreciation and amortization	8,040	7,225
Capital expenditures	7,153	7,922

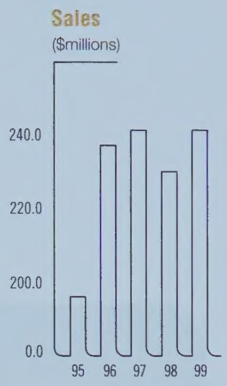
BUILDING PRODUCTS division

Emco Building Products is a leading Canadian manufacturer of roofing and wood fibre products for the renovation and new construction markets, both residential and commercial. The business was founded in 1925 and has been built on *a foundation of integrity, quality, service, marketing innovation and customer partnerships.* Building Products has a reputation for quality products backed by the leading consumer warranty in the industry.



The division's product lines consist of asphalt roofing shingles used in residential roofing, its largest business, as well as industrial/commercial roofing products, dry felt paper, roof insulation, structural board, ceiling tiles and other specialty wood fibre products. These products are sold to retail building supply stores, lumberyards and home centre stores across Canada and the northeastern United States. Roofing products are also sold directly to renovation and new construction contractors and industrial roofers in Canada.

Building strong business relationships with our customers has been a primary focus for Building Products. We are constantly developing these relationships by ensuring that product is available, that quality customer service programs are working and that merchandising programs support our customers' needs. Information technology is playing a major role as we simplify order taking from customers and improve inventory replenishment. Building Products continues to invest in its manufacturing facilities so that it can continue to meet its customers' expectations for product availability, quality and logistical support. Investments have also improved efficiency in the manufacturing processes contributing to lower costs of production. The installation of MRP II, an integrated business planning and manufacturing control system, has improved productivity.



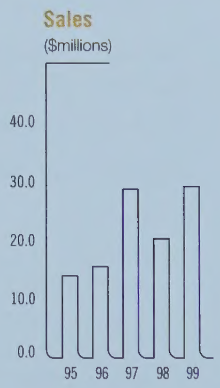
METCRAFT INC. — ISO 9002 Certification in 1999

Metcraft made a significant contribution to Emco's operating earnings in 1999. And there is tremendous potential for growth in all of the subsidiary's product lines. Metcraft's manufacturing facility in Grandview, Missouri produces *high quality stainless steel products* for commercial food service providers as well as institutions such as prisons and hospitals.

Registered TM

POWER SOAK† – Unattended washing systems are quickly becoming the industry standard for cleaning pots and pans in fast food restaurants in North America and Metcraft's POWER SOAK is an industry leader in stainless steel products that are designed to lower labour costs and improve sanitation for our customers' pots and pans inventory. *Shipments of POWER SOAK product more than doubled in 1999 over 1998 with orders from Wendy's™ and other fast food restaurants.* The POWER SOAK system is also marketed to full service restaurant chains, grocery chains, institutions including hospitals, retirement and nursing homes, and schools.

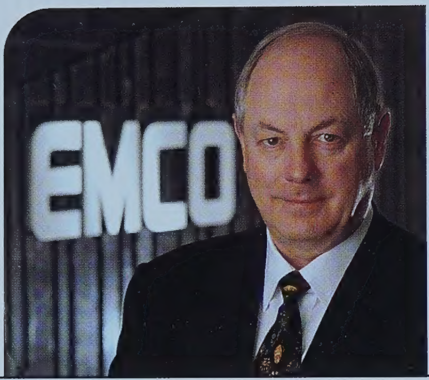
SECURITYWARE – Metcraft has been a manufacturer of quality *stainless steel securityware* for nearly 30 years. With innovative products such as "TIDAL FLUSH™", the subsidiary continues to increase its sales of heavy gauge plumbing fixtures to penal institutions, prisons and jails in the U.S. and Canada. Metcraft is continually adding to the range of applications for these products including public rest stops, schools, parks and other areas where vandalism can be an issue.



CUSTOM PRODUCTS – Metcraft has also earned a reputation for manufacturing quality *custom food service products* for use in commercial and institutional kitchens.

† Used under an exclusive licensing agreement with Cantrell Industries, Inc.

Message to *shareholders*



Douglas E. Speers

President and Chief Executive Officer
Emco Limited

"1999 was a year of significant change at Emco."

While our results were certainly unsatisfactory, we made good progress in a number of areas. In my summary of this year's results, I will outline where we experienced shortfalls, explain why our results were below expectations and detail the actions that have been put in place to improve our earnings. Finally, I will highlight our vision and strategies for the future and I am sure you will share my optimism for improved results in the year 2000 and thereafter.

Earnings per share in 1999, on a fully diluted basis, were 43 cents, a 19 cent reduction from last year when we reported earnings per share of 62 cents (before the gain realized on the sale of Kindred Industries and a restructuring charge).

There are four areas within the Company where 1999 operating earnings declined from 1998 levels.

i) Roofing
Within our Roofing Division, asphalt costs increased dramatically in the last six months of 1999 compared to the same time period in 1998. Despite our efforts to increase prices, this spike in raw material costs of more than 50% could not be recovered in the market place.

Action taken:
We have already increased prices during 1999 and again on January 1, 2000 and we will continue to seize opportunities to protect and enhance roofing margins. While the cost of raw materials is expected to remain high, we do not anticipate additional large increases.

ii) Pro-Fit Piping Components, Inc.

Pro-Fit, our U.S. distributor of flanges and fittings, experienced an earnings decline as a result of significant price competition primarily within the flange product line.

Action taken:

While market prices are still lower than previous levels, Pro-Fit has renegotiated flange purchase prices. These lower prices will restore most of the lost margin. Pro-Fit carries significant inventory to ensure excellent levels of customer service, especially for the product lines that have long lead times for orders. Due to the service-driven inventory levels, it has taken two to three months for the lower priced product to flow through and have a significant impact on Pro-Fit's operating earnings.

"... we are building a solid foundation for our future."

iii) Industrial Products – Western Canada

As a result of a significant slow-down in 1999 in the oil and gas resource sector in western Canada, demand for pipe, valves and fittings in this area declined by approximately 20% versus 1998 levels.

Action taken:

While there will be fluctuations, we believe energy prices on average will remain at significantly higher levels than those in the early part of 1999. These stronger prices will positively impact our western Canada industrial sales and margins. At the time of freeze-up, activity in Alberta did increase and both volume and margins have improved since the beginning of this year. We anticipate this trend will continue.

iv) Emco Distribution Process Changes

Within Emco Distribution, we made considerable changes to many of our processes in 1999. In order to ensure that we continued to have a high level of customer service, we incurred additional manpower and freight costs while we reengineered these processes.

Action taken:

Most of the new processes have now stabilized and I am pleased to report that we are reducing the excess costs and realizing benefits from the changes. We are pleased that our service levels are improving. Fill rates have improved from 94% to 97% in the last four months.

I would be remiss if I did not highlight the excellent financial results from both Metcraft Inc. and our Wood Fibre division.

Metcraft increased their sales by more than 42% from the prior year. This is a result of continued success with the POWER SOAK commercial pot washing equipment. Annual operating earnings for Metcraft increased by $2.5 million over 1998.

The changes in Wood Fibre were equally impressive. The Wood Fibre division continued to rationalize product lines and expand exports of ceiling tiles and other products into the United States. Over 40% of our Wood Fibre production is now exported. Operating earnings for this division improved by $3.2 million over the prior year.

I am very optimistic about the future. The action steps that we have taken, combined with a continued strong economy, especially in the oil and gas sector, will lead to enhanced operating earnings in both the short and long term.

Last August, we completed our analysis of Strategic Alternatives and, in September, repurchased $75 million or 33% of Emco's total outstanding common shares. As a result of this transaction, the average number of shares outstanding in the year 2000 will be 27% lower than the average number in the year 1999. This change provides us with tremendous leverage for improved earnings per share.

I would now like to highlight the vision that we have for each business and provide you with a number of examples of activities that will contribute to the achievement of our financial goals.

Our strategy for Emco Distribution is clearly one of superior customer service backed by a low cost, efficient supply chain. This is being achieved through the development of a world class physical distribution system using proven technology. The implementation of new processes will allow us to provide a high level of service with lower costs, fewer errors and lower inventory levels.

At the same time, we are testing a number of "store" alternatives for our wholesale distribution channel. Dual-service and self serve branches, enhanced showrooms, and branches dedicated to providing products and services in specific categories, are all designed to meet the targeted needs of our different customer segments.

Additionally, we have reduced costs and given our field personnel more time to focus on serving their customers through centralized processing of supplier invoices and customer payments. We are using Electronic Data Interchange and cash imaging technology to provide significant cost benefits in this area.

The second phase of our strategy is to build on our established expertise in physical distribution with electronic capability. Linking customers and vendors, we will use shared information to create a real competitive advantage. Our thrust in this area is to continue to lower our transaction costs, add more customer services and develop new markets for Emco.

Within Manufacturing, we command large market shares for our roofing and wood fibre products in Canada. By adding production capability for new products, as we have done with the new shingle laminator at our Edmonton facility, we will exploit higher margin opportunities. Growth through exports to the United States is also a key part of our strategy. Finally, we continue to invest in our plants to reduce costs and improve quality. I am pleased to report that our manufacturing resource planning system in Building Products has been implemented in all plants and is operating to our expectations.

At Metcraft, the opportunity for growth with our POWER SOAK pot scrubber is excellent. This is a labour saving device and food preparation companies are looking for opportunities to improve their cost structure. Not only will we continue to develop sales growth opportunities for POWER SOAK in North America, but, as a result of obtaining the rights to sell POWER SOAK globally, we are also expanding into Europe. Our first demonstration unit is now in place in London, England.

We have a clear strategy for all divisions and are implementing short and medium term action steps to enhance our competitive advantage and improve results.

I know that our employees are excited about these possibilities and about the changes that we are making at Emco. However, I also recognize that change can be difficult. I am proud of the efforts and the contributions that all of our employees have made. Together we are committed to building a strong foundation for growth in earnings.

In closing I want to thank three people who have made significant contributions to Emco.

In September 1999, Howard Campbell retired as President of Emco Distribution. Howard's many years of experience and his knowledge of the wholesale plumbing industry were important assets to our distribution business.

At the end of February 2000, Richard Grogan, Executive Vice President & Chief Financial Officer retired from the Company. Richard joined Emco in 1989 and has provided financial leadership as an integral part of Emco's management team during the last ten years. I am pleased to report that he will continue to serve as a member of Emco's board of directors.

David Weldon, a director of Emco for more than 31 years has announced that he will be retiring from the Board of Directors and will not stand for re-election at the Annual Shareholders Meeting on May 4, 2000. David's wise counsel, broad knowledge and support in many areas will be missed.

Finally a brief comment regarding the economic environment.

The outlook for the economy is very positive for the year 2000 in both Canada and the U.S.. New residential construction is expected to remain strong in eastern Canada and, I believe, will be stronger in the western provinces, especially Alberta. Increased renovation spending is also expected. As activity in the oil and gas sector increases, we are well positioned to realize increased sales of our industrial products. Our waterworks business has a very strong order book, and infrastructure spending continues to gain momentum across Canada.

At Emco we are building a solid foundation for our future. As I mentioned last year, we must continually improve to meet the needs of our changing customer base. This in turn will ensure continued growth in earnings for our shareholders.

Douglas E. Speers
President and Chief Executive Officer
Emco Limited

Building a solid

EMCO DISTRIBUTION

Emco Distribution continues to reengineer its business processes in order to establish the foundation for profitable growth. By refocusing the entire organization on new methods to efficiently serve our customers, we can increase sales, lower expenses and improve the return on sales and return on investment. The use of technology is an important part of our plan to change the way we do business.

"Our customers are telling us that the dual-service branch concept allows them to obtain what they need quickly and to see the whole range of products that we have in stock. The showrooms in these branches add value for our customers to see new products on display."

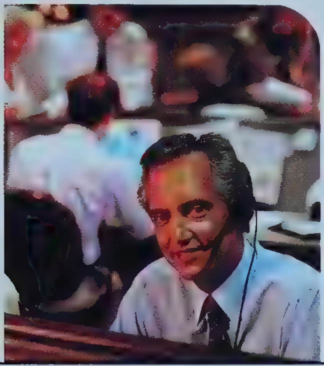
Jerry Noble, *Emco Distribution, Greater Toronto Area*

Emco opened dual-service branches in 1999 in Langley, B.C. and in Mississauga and Peterborough, Ontario.

Meeting Our Customers' Needs

Emco Distribution has a detailed vision and strategy that is focused on customer needs. We have increased our emphasis on sales training. We have introduced a new disciplined approach to selling that targets customers based on their specific needs. And we have assigned senior managers for each product category who are responsible for the strategy and program development in their area. Finally, there are specific marketing programs in place based on assessments of market size and potential.

We are expanding the choices available to our customers to access Emco's products and services. New dual-service branches have been opened in 1999 that provide our contractor customers with access to a wide range of products. And more of these branches are planned for 2000.



Product information and technical support for our branches and our customers.

A new national pricing organization is increasing reliance on more systematic pricing processes.

Technology is at the forefront as Emco establishes full customer support services. These services will provide a centralized source for quotations, order entry and technical support. They will provide Emco's branches and their customers with the required technical knowledge and product knowledge, as well as answers to delivery questions and account inquiries. Customers can also use technology such as EMCO ONLINE™, our internet based order entry system, and e-mail to submit orders with direct-to-job-site shipping.

"The most important things that a wholesaler can do is to get involved with its customers and have product available when needed. As demand increases, so should the service level. I see this with Emco. Their marketing programs and sales tools are really helping me with my business."

André Bertrand, *President Thermo-Maître, Gatineau, Québec*

Increasing Efficiency in Our Supply Chain

With a major investment in new technology, Emco's goal is to be the industry leader in supply chain management. We are now installing a warehouse management system as an integral part of our plan to dramatically improve the efficiency of our distribution operations. The system will be established in all Distribution Centres across Canada to speed the movement of products and eliminate errors. When these centres are fully in place, products will be delivered quickly to any of Emco's customers located within a two hour radius. They will also provide a centralized supply of products to support Emco's smaller branches in the region and allow for fast cross-docking of shipments from suppliers to our customers.

"The new technology that Emco is putting in place, as well as the changes that it is making to its processes, will streamline business operations for both of our companies and greatly increase the level of service to our customers."

David Temple, President and CEO Canplas Industries Ltd.

Emco's new Distribution Centre in Richmond B.C. is scheduled to open in March 2000.

Emco is using electronic commerce to order product from its suppliers, receive invoices and process payments. And it is adding a bar coding system to its Distribution Centres and some branches to improve efficiency in handling product.

Our newly established regional purchasing and inventory planning organization and the introduction of an electronic Distribution Requirements Planning (DRP) system are aimed at improving customer service while reducing our investment in inventory. DRP allows us to have the right product at the right place at the right time and in the right quantity.

Finally, Emco has reduced the number of national freight carriers by 28.0% to lower freight costs and to improve on-time delivery.

Improving the Branch Network

With the introduction of Distribution Centres, Emco is right-sizing its branch network in each region to ensure that branches are situated in the best location to meet customer's needs. We are assessing the size of each branch that is required to meet the demand of the market and we are ensuring that every branch is carrying the right amount of inventory. Our goal is to maximize the efficiency of storing and delivering products.

> "In our view, Emco is on the leading edge in the use of electronic commerce for our industry. Processing purchase orders and invoices electronically is certainly taking costs out of the system for both of us. The improved accuracy this technology has achieved in our processes is more significant than originally expected." Richard Cope, *President Victaulic Company of Canada*

In 1998, Emco closed or merged a number of branches in areas of the country that were most affected by a slow economy. We also focused on branches that were not meeting the expected results from their operations. That focus continued through 1999 and will continue in 2000 with the assistance of a new business analysis team.

Centralizing Transaction Processing

The centralization of transaction processing functions, such as the processing of suppliers' invoices and cash application, is largely complete and has already contributed to a reduction in expenses. The introduction of imaging technology has also increased the efficiency of Emco Distribution's cash application process. The increased use of electronic commerce will produce further reductions in Emco's administrative expenses.

"... we continue to invest in our plants to reduce costs and improve quality."

EMCO MANUFACTURED BUILDING PRODUCTS

BUILDING PRODUCTS division

The markets for our products are changing dramatically and they are creating opportunities for Building Products to increase sales of roofing and wood fibre products in both Canada and the U.S.. Benchmark levels of price, quality and performance are constantly being redefined.

The introduction of new products will continue to be a major focus in the year 2000. The trend in the market to high-end architectural shingles is accelerating the division's plans to follow its successful launch of MIRAGE™, a designer roof shingle, with other specialty roofing products.

We are adding new products to meet changing trends in the market place.

ENERMAX™, a four-in-one wood fibre interior wall panel that provides exceptional insulation and sound deadening characteristics, is a premium specialty product that gained popularity throughout 1999. And new wood fibre products will be introduced in 2000 to augment our current product line.

The U.S. market, mainly in the northeastern states, represents an area of growth for both roofing shingles and wood fibre products. Building Products continues to focus on broadening its customer base, offering new products and establishing new customer partnership programs. Sales of building products to U.S. customers have grown steadily during the last five years and are expected to increase further in the year 2000.

METCRAFT INC. - New Customers and Markets

As a successful marketer of quality stainless steel fixtures with the manufacturing capacity for expansion, Metcraft continues to promote its products to potential new customers and new markets. By expanding our POWER SOAK sales force, we are focused on the potential for growth from a solid customer base within the fast food restaurant chain market.

Grocery store chains in North America represent another opportunity for POWER SOAK as "home meal replacement" continues to grow. Metcraft is also expanding its presence in the institutional market with a growing list of high profile customers.

In 1999, its licensing agreement to manufacture and sell POWER SOAK was extended to cover the globe and Metcraft intends to pursue additional markets in those countries where labour costs are high.

The current expansion of correctional facilities in the U.S., together with a trend towards privatization, ensures that there is an opportunity for stable future growth for Metcraft's securityware products.

A commitment to the

At Emco, we believe that we have a responsibility as a corporate citizen to support the people who live in places where we do business. As a proud sponsor of Habitat for Humanity since 1992, Emco is helping to build affordable housing in communities across Canada.

Habitat for Humanity is an international non-profit organization dedicated to providing housing to people in need. To date they have built nearly 400 houses in Canada and Emco is a major sponsor through direct funding and through its contributions of building materials. Our employees also volunteer their time and their talents to help with the construction of many of these houses.

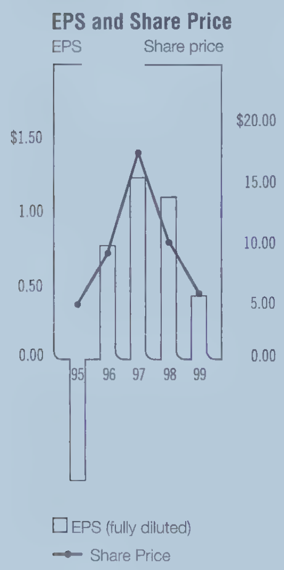
Emco is pleased to be a sponsor of Team Borst and congratulates them on winning the 1998 Canadian Women's Curling Championships and being the World Bronze Medallists in 1998.

Management's discussion & analysis

Emco Limited is a leading Canadian distributor of plumbing and related products in four categories: plumbing; waterworks; industrial and heating, ventilating, air conditioning and refrigeration, and is one of the largest master distributors of welded fittings and flanges in North America. Emco also manufactures and distributes building materials for the home improvement and building construction markets. The Company's business segments consist of Emco Distribution and Emco Manufactured Building Products.

Financial Summary

Emco's net earnings for 1999 were $10.7 million or $0.43 per share on a fully diluted basis compared to net earnings of $29.4 million or $1.09 per share in 1998. The 1999 earnings per share include gains on the disposal of property of $0.06 per share. Fully diluted earnings per share in 1998 were $0.62 per share before being reduced by a restructuring charge of $0.14 per share and increased by a gain on the disposal of a business amounting to $0.61 per share.



Sales for the year ended December 31, 1999 were $1.24 billion unchanged from the year ended December 31, 1998. Operating earnings for 1999 were $31.8 million compared to $42.3 million in 1998, before the restructuring charge of $8.0 million. The restructuring charge recorded in 1998 represented costs arising from management's decision to redesign major business processes within the Emco Distribution business segment.

In June 1999, Emco announced that it had completed a review of strategic alternatives to enhance shareholder value and, as a result, the Company proceeded with an offer to repurchase $75.0 million of its common shares by way of a Substantial Issuer Bid. The offer was completed in September 1999 with the Company repurchasing approximately 7.9 million shares for $9.50 per share, representing approximately 33% of the total shares outstanding. The share repurchase was financed with funds drawn on the Company's bank credit facility. In October 1999, Emco announced its intention to purchase up to 5% or approximately 0.8 million of its common shares and up to 5% or $3.8 million of its 6½% convertible subordinated debentures by way of a Normal Course Issuer Bid. As of December 31, 1999, the Company had acquired 116,300 shares under the Normal Course Issuer Bid at an average price of $5.66.

In 1998, the Company redeemed the remaining $30.0 million of its 8% subordinated debentures and $28.9 million of the 7¼% subordinated debentures. In addition, it made its required sinking fund payment on the 7¼% subordinated debentures of $8.7 million. As a result, it fulfilled its sinking fund obligations for the years 1999 through 2001 inclusive. No additional payments on the 7¼% subordinated debentures are required until April 30, 2002, which is the maturity date of this issue.

Emco has expanded its presence in the waterworks distribution market with the acquisitions of the Wamco group of companies on September 30, 1998 and the waterworks business of Albert Viau Ltée on January 4, 1999. The combined sales volumes of these businesses, included in Emco's total 1999 sales, were approximately $44.0 million.

Business Risks

As a distributor and manufacturer of products for the construction industry, the Company faces a number of business risks that can affect the results of operations. Key business risks affecting overall market demand, and hence Emco's sales volumes, include the levels of new construction activity (residential, commercial and industrial), the amount of activity in the resource sector and the level of repair and renovation activity, mainly in Canada. The direction of interest rates can affect levels of construction activity. The general strength of the economy and the strength of certain industry sectors such as the resource sector (including petroleum, gas and mining) can also affect the levels of construction activity in Canada. The rate of exchange between the Canadian and U.S. currencies

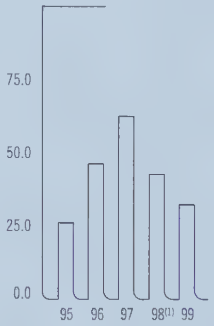
may influence the level of export sales to the U.S. and the volume of products that are exported to Canada by U.S. building materials manufacturers. Major fluctuations in the cost of raw materials, such as asphalt, can affect the margins realized by the Company's Building Products division to the extent these costs cannot be passed on in the Company's selling price of its products. Finally, the Company's ability to achieve the expected benefits from the reengineering of business processes within Emco Distribution and the continued ability of the Company to manage its costs of production and distribution directly affects the results of operations.

The impact of changing crude oil prices had a significant impact on 1999 results. Low prices coming into the year caused activity in the oil sector in western Canada to drop dramatically, directly affecting the sale of industrial products into this market. In the last half of 1999, crude oil prices rebounded to levels not seen in several years. This bodes well for sales of industrial products in 2000. However, the increase in crude oil prices caused the cost of asphalt used in the roofing business to rise by more than 50%, in the last half of 1999, over 1998 levels. Although price increases for roofing products have been initiated, it takes several months to recover these cost increases in the market place.

Consolidated Results of Operations

Emco's management was disappointed with the Company's financial results for 1999. Operating earnings, before the restructuring charge taken in 1998, were $10.5 million lower than a year ago despite significant improvements in some of its businesses. The operating earnings for Emco Distribution for the year were $7.4 million lower than 1998. Emco Manufactured Building Products' operating earnings, in total, were unchanged from a year ago, however, the reduced results for the Roofing business were offset by improved operating earnings for the Wood Fibre business and Metcraft Inc. (Metcraft). Corporate and other expenses were $0.7 million lower than 1998. Operating earnings for 1998 included $3.8 million from the Kindred Industries division to the date of its sale.

Operating Earnings
($millions)



[1]Before restructuring charge

Four main factors contributed to Emco's lower operating earnings in 1999:

1. Raw material cost increases for roofing products, especially in the fourth quarter, could not be recovered in higher selling prices. Asphalt costs increased significantly, compared to 1998 levels, in the last six months of the year. While the cost of asphalt is expected to remain high in 2000, the Building Products division announced price increases in October 1999 to take effect in 2000 that are expected to contribute to improved earnings.
2. Pro-Fit Piping Components, Inc.'s (Pro-Fit) operating earnings were much lower in the latter part of 1999 compared to 1998, resulting in a decline for the year. This decrease resulted directly from the significant price competition that occurred during the year primarily related to the flange product line. Pro-Fit's management took actions to reduce operating expenses and negotiate lower prices with its major suppliers. Sales of lower cost products will begin to have a positive impact on Pro-Fit's operating earnings early in 2000.
3. Emco's sales of industrial pipe, valves and fittings (PVF) in western Canada were 20% lower in 1999 than 1998. Management closed a number of branches in western Canada in 1998, and continued to control expenses in 1999. The recent increases in crude oil prices have resulted in more activity in the resource sector and should lead to higher demand for these industrial products in 2000.
4. Emco Distribution experienced duplication of some expenses in 1999 associated with the reengineering of major business processes within Emco Distribution. The additional expenses were incurred to ensure that levels of customer service were maintained throughout the period.

Sales revenues in 1999 increased by 2.3% from the previous year, excluding the business sold in 1998. Emco Distribution's sales volumes in Canada were higher due to increased demand for plumbing, industrial and waterworks products in Ontario, Québec and the Atlantic provinces. Results for the two waterworks distribution businesses acquired by the Company in September 1998 and January 1999 were better than expected. These increases offset the lower volumes in British Columbia and Alberta. The Building Products division's sales in 1999 were 4.9% higher than 1998. Improved sales volumes for both roofing and wood fibre products were offset by low margins for roofing shingles during much of the year. Metcraft sales of its POWER SOAK† stainless steel pot washing equipment were more than double the levels for 1998, recovering to the record levels of 1997. Sales of Metcraft's securityware were also higher in 1999 than the previous year.

Emco's gross margins, after depreciation, declined from 21.9% of sales in 1998 to 21.0% of sales in 1999. Margin declines related mainly to the mix of products sold by Emco Distribution in Canada, lower margins in the plumbing product category, increases in roofing products raw material costs, mainly asphalt, in the Building Products division and the effect of price competition on Pro-Fit.

Selling and Administrative Expenses (as a % of sales)
(%)

Selling and administrative expenses for 1999, as a percent of sales, improved to 18.0% from 18.7% of sales in 1998, excluding a provision for restructuring costs recorded in 1998. The Company continues to focus on expense management in all of its businesses. Emco's Corporate office space was reduced during the year with several staff functions being combined with Emco Distribution's administrative offices in London, Ontario.

Management has taken aggressive actions to reduce expenses in the Canadian distribution business including the closing of some branches and eliminating two regional offices in western Canada. During 1999, the Company continued to focus on actions that it believes will result in growth in its businesses, improvement in the results from its operations and an increase in shareholder value.

Results by Business Segment

(Thousands)	**1999**			**1998**		
	Sales	Operating Earnings	Identifiable Assets	Sales	Operating Earnings(1)	Identifiable Assets
Emco Distribution	$ 974,069	23,499	378,585	$ 965,584	30,892	378,809
Emco Manufactured Building Products	270,147	16,899	166,902	250,113	16,926	153,855
Former business				27,024	3,753	
Corporate and other		(8,602)	16,093		(9,277)	16,227
	$ 1,244,216	31,796	561,580	$ 1,242,721	42,294	548,891

(1) Before restructuring charge

Emco Distribution

Emco Distribution sells products in four distinct product categories: plumbing and hydronic heating; industrial pipe, valves and fittings (PVF); waterworks; and heating, ventilating, air conditioning and refrigeration (HVAC/R). In 1999, Emco Distribution continued to implement its strategy of focusing on growth in each product category and making fundamental changes aimed at better meeting the specific needs of customer segments within each category.

† Used under an exclusive licensing agreement with Cantrell Industries Inc.

(Thousands)	Sales 1999	Sales 1998	Operating Earnings 1999	Operating Earnings 1998[1]
Q1	$ 193,004	200,316	$ 2,768	2,283
Q2	247,820	242,453	6,754	6,627
Q3	279,479	271,761	10,828	11,773
Q4	253,766	251,054	3,149	10,209
	$ 974,069	965,584	$ 23,499	30,892

(1) Before restructuring charge

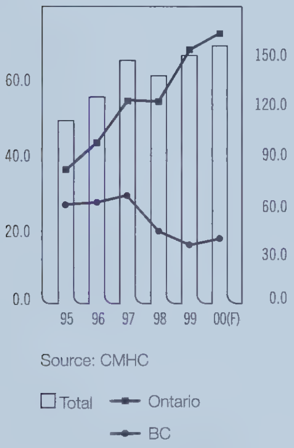
Emco Distribution's sales in Canada increased in the year over 1998, while Pro-Fit's sales were lower than the previous year. Operating earnings in Canada were primarily impacted by reduced plumbing margins as well as by a one-time negative inventory adjustment of $2.7 million recorded in the fourth quarter. Operating earnings for Pro-Fit in 1999 were $5.8 million lower than 1998.

Plumbing and Hydronic Heating

Overall levels of new residential construction in Canada in the past year were 6.6% higher than in 1998. While the levels of housing starts in Alberta and British Columbia were 16.6% lower than 1998 levels, and 26.0% lower than 1997, starts in Ontario rebounded in 1999. This recovery contributed to an increase of 7.0% in sales volumes of plumbing and hydronic heating products in 1999 over 1998 in Ontario. The levels of housing starts are expected to recover in British Columbia in 2000 as the economy improves. Based on forecasts by Canada Mortgage & Housing Corporation (CMHC), residential construction will continue to increase in Ontario and Québec in 2000.

Housing Starts

(thousands of units)



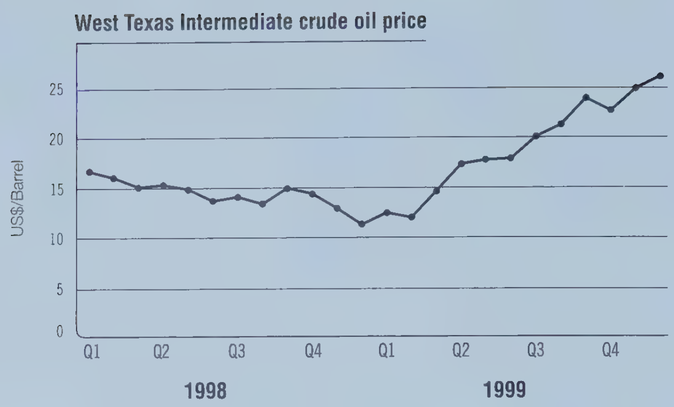
Source: CMHC

Sales of plumbing and hydronic heating products for 1999 for all of Canada were at the same level as 1998. They were higher in eastern Canada but lower in the western provinces. Gross profit margins were slightly lower than last year. Emco plans to grow its leading share of the plumbing and hydronic heating market in Canada. This growth will be achieved through the opening of dual-service branches, improved pricing management, strategic targeting of customers, enhanced performance against customer service standards and the strengthening of customer support and technical help services.

Industrial Products

Emco's sales of industrial PVF products in western Canada were 19.9% lower in 1999 than in 1998. Fluctuations in crude oil prices adversely affected these sales during the latter part of 1998 and virtually all of 1999. Demand for Emco's industrial products in western Canada began to decrease in 1998 from 1997 levels and decreased further in 1999 as new activity in the oil and gas sector was reduced. This activity began to increase again late in 1999 and, as a result, sales of industrial products are expected to be at much higher levels in western Canada in 2000. Sales in eastern Canada were 13.5% higher than 1998 as Emco grew its industrial presence in this region.

The Company is carrying out its plan to stock and sell more industrial products from its existing plumbing branches, creating an opportunity for sales growth. Sales of industrial products to large projects in the oil and gas sector are generally made at lower margins than plumbing and hydronic heating sales, however, in 1999, Emco was able to improve overall profit margins in this product category.



The accompanying graph illustrates the extent of the decline in crude oil prices leading into 1999 which had a significant effect on activity in the oil and gas sector. Since June 1999, crude oil prices have risen dramatically, and prospects for sales of industrial PVF are much improved.

On January 31, 2000, Emco announced that it had signed a letter of intent to acquire Q.I.P. Equipment Ltd., a distributor of high quality industrial valves. Upon satisfactory completion of due diligence by Emco, the acquisition of this business will increase Emco's presence in the important pulp and paper sector, will be complimentary to Emco's existing product lines in eastern Canada and will provide Emco with increased market share in the higher margin valve product category.

Emco Distribution is the largest master distributor of carbon steel flanges and fittings in North America with Pro-Fit in the U.S. and the CCTF division in Canada. Pro-Fit's expertise in domestic and international procurement has added strength to the Company's overall master distribution of welded fittings and flanges. Operating earnings for Pro-Fit throughout 1999 were substantially lower than 1998. After many years of relative stability in the carbon steel flange market, competitive pressures caused prices on certain key product lines to be reduced by approximately 25%. In response, Pro-Fit's management reduced operating expenses and negotiated new flange pricing from key suppliers to reflect market conditions. As this lower-priced product is sold, the Company expects these actions to result in improved margins beginning in the second quarter of 2000. Actions are also being taken by Pro-Fit to improve pricing for its domestic fittings products in 2000.

Waterworks

Emco is a leading distributor of waterworks products in Canada. Waterworks sales increased by 26.9% in 1999 over 1998 mainly as a result of acquisitions. The Company continues to look for opportunities to grow through the acquisition of regional businesses that will make a strong contribution to operating earnings. Emco acquired the Wamco group of companies, a major waterworks distributor in Ontario in 1998, and the Québec-based waterworks business of Albert Viau Ltée in January 1999. Profit margins strengthened considerably for this product category over 1998 levels as the acquired businesses provided a broader product offering.

HVAC/R

Emco continues to focus on growth in the HVAC/R product category, with expanded product offerings and the continued roll out of the exclusive residential and light commercial Trane product line of heating and air conditioning equipment. Recent consolidations in this sector in Canada have created additional opportunities to expand the Company's customer base. Sales of HVAC/R products are being promoted on a national basis through increased integration and leveraging of the existing network of plumbing branches across Canada. In 1999, 12 additional branches integrated HVAC/R products into their product mix. The HVAC/R distribution industry in Canada is made up of a number of small wholesalers. Opportunities exist to make acquisitions that will increase Emco's presence in this market. Profit margins for the HVAC/R product category increased over 1998 levels.

Reengineering

In 1999, Emco continued to implement its reengineering initiative under which it is reinvesting more of its resources in value added customer support services and less in administrative functions. Steady progress was made during the year against the implementation plan. Net benefits achieved during the year, however, fell short of expectations. Certain expenses were duplicated as the Company made a conscious decision to ensure that levels of customer service were maintained while many significant changes were taking place. Management now expects that the implementation phase will take longer than originally planned. Current plans call for the completion of the new supply chain and selling processes in 2001. Benefits from these process changes are expected to increase in 2000 with further increases in 2001. Management remains fully committed to this program and expects to begin to realize the full benefits from the reengineering initiative in 2002.

The Company made strong advances in implementing its supply chain model, a key element of reengineering, in the areas of technology, organization redesign and infrastructure. As supply chain changes begin to impact on operations, more efficient inventory management and an enhanced ability to increase customer service at reduced costs will result. Procurement practices have been changed to ensure that Emco leverages its national buying power to achieve lower landed costs for its products. A national transportation strategy with fewer carriers is now in place that will improve delivery to our customers while reducing our overall costs of delivery.

The first stage of changes in inventory management was introduced in 1999 with the implementation of the DRP (distribution requirements planning) system. The second stage, which is scheduled for implementation in 2000, will focus on achieving high customer service order fill rates with less overall inventory investment.

As the new regional Distribution Centres are established in selected major cities across Canada, products will be delivered to our customers more efficiently, in some cases directly from these facilities. Customers will have access to a larger selection of products, and Emco will be able to consolidate inbound shipments, cross-dock product and reduce product storage costs. A new Distribution Centre in Richmond, British Columbia is expected to be in full operation by Spring 2000. The redesign of existing facilities as Distribution Centres in Moncton and Montreal began in 1999 and will be completed in 2000. Distribution Centres are planned for Toronto and Edmonton and are expected to be fully operational in 2001.

New technology is supporting the changes that will enhance Emco's warehouse management practices. The Company's investment in new Warehouse Management System software will complete the renewal of the Company's distribution infrastructure strategy and will facilitate automatic replenishment processes among branches, the Distribution Centres and suppliers. The new network is designed to enhance Emco's market coverage by including additional, more efficient branch locations with better proximity to the targeted market.

In addition to the supply chain organization, a new selling organization is largely in place as a direct result of the reengineering project. The selling function is focused on developing additional business. Improved processes for customer targeting, account planning and development, customer contact and sales management form part of this focus. Centralized customer support services will begin to be established across Canada in 2000, including improved technical support to both customers and branch employees. These services are expected to provide a competitive advantage for Emco.

The Company also established a national pricing organization which is accountable for centralized pricing maintenance, a more disciplined approach to price matrix management and increased reliance on more systemic pricing processes. This group has begun to test new processes in selected branches aimed at improving gross profit margins.

Management has taken steps to improve its distribution branch network particularly in those areas of the country that have been most affected by a weak construction market. A total of six branches were closed or merged in 1998 mainly in British Columbia. Administrative functions that had been performed at regional offices in Edmonton and Vancouver and at a number of branch locations were centralized at Emco Distribution offices in London, Ontario in 1999.

The goal of eliminating duplication of administrative services, achieving efficiencies through economies of scale and the application of technology to standardize processes, has been achieved. Centralized processing of supplier invoices and cash application in London enables branch employees to focus on the customer. Electronic business initiatives have been implemented with a number of major suppliers and will be expanded in 2000.

As a result of these major reengineering initiatives, the Company recorded a restructuring charge of $8.0 million in the fourth quarter of 1998. The charge primarily relates to employee severance costs and other related costs associated with redefining the Emco branch network. Of the total charge, approximately $1.5 million was incurred in 1998 and approximately $4.0 million was incurred in 1999. The balance of $2.5 million will be used primarily for lease terminations and employee severance costs.

The Economy

Economic projections for Canada for the year 2000 are positive. According to TD Economic Reports, Canadian commodity prices are expected to gain further strength. Increased demand for exports of Canadian products to Asia are expected to result in improved economies for the western provinces of Canada. The Conference Board of Canada has projected a 3.5% increase in gross domestic product (GDP) for the country in 2000. In Canada's eastern provinces, economic activity is expected to remain near the same high level as 1999, particularly in the construction industry. The benefits that management expects to be realized from reengineering, together with the increases in sales that will come through a stronger economy, will contribute to improved operating earnings for this business in 2000.

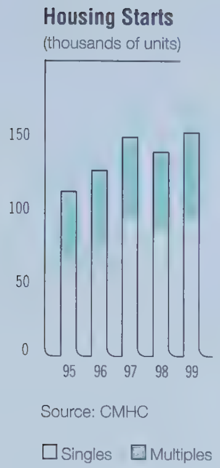
Emco Manufactured Building Products

Emco Manufactured Building Products includes the Building Products division (Building Products) and Metcraft Inc.. Building Products is a manufacturer of residential and commercial roofing, wood fibre and rolled paper products for the Canadian and U.S. markets. Approximately 77% of Building Products' sales are made to the residential construction market, with approximately 60% of the division's sales based on renovation activity. Based on the current age of existing housing stock in Canada, this market is expected to continue to grow during the next five years. Metcraft, with sales in 1999 of approximately $29.0 million, is a U.S. manufacturer of securityware and stainless steel products for the commercial and institutional food service industry.

	Sales		**Operating Earnings**	
(Thousands)	1999	1998[1]	1999	1998[1]
Q1	$ 54,869	53,110	$ 3,653	700
Q2	86,849	77,283	8,554	7,602
Q3	71,504	68,289	3,430	5,819
Q4	56,925	51,431	1,261	2,805
	$ 270,147	250,113	$ 16,898	16,926

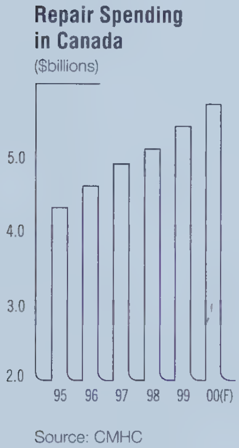
(1) Excluding Kindred Industries division which was sold in November, 1998.

Manufactured Building Products sales for 1999 were 8.0% higher than the previous year, excluding Kindred Industries. The volume of roofing products sold during the year increased due to an expanded renovation market in Canada and because of increased shipments to the U.S.. Sales volumes for Metcraft were 42.9% higher in 1999 than the previous year, returning to the record levels of 1997. This increase was due mainly to significant increases in deliveries of its POWER SOAK commercial pot washing equipment.



The reduced prices for crude oil in 1998 also contributed to lower asphalt prices in that year. Lower asphalt costs, in turn, resulted in significant price competition in Canada for roofing materials and hence lower profit margins for Building Products in the manufacture and distribution of its roofing products. The recovering crude oil prices in 1999 resulted in much higher costs for asphalt during the last six months of 1999. Emco was able to recover only a portion of the increased cost of asphalt through price increases that it announced in 1999. Further price increases were announced by the Company in October 1999 to take effect in 2000. While asphalt pricing is expected to remain at high levels in 2000, these announced price increases, and others that may be announced during the year, will contribute to improved profit margins for the roofing business.

All of Building Products' manufacturing facilities operated at record levels of efficiency and productivity during the year as a result of a continued investment in technology as well as the increasing skill levels of its employees. The division invested $6.4 million in 1999 in a number of capital projects at all three of its manufacturing facilities to further increase capacity, lower production costs and improve product quality.



Building Products simplified its line of wood fibre products beginning in 1998 and focused on the production and sale of only those products that maximize margins. This strategy contributed to much improved sales and operating earnings for the Wood Fibre business in 1999.

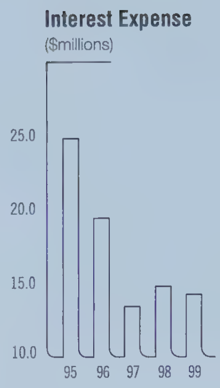
The renovation market in Canada remained strong in 1999 and is expected to grow in 2000. There has been some consolidation in the retail building materials sector and Building Products is focusing on benefits that it can derive from this consolidation by improving distribution, increasing service levels, providing leading-edge merchandising and promoting customer partnerships. The division is also targeting the benefits to be derived from the trend to high-end premium and specialty products by introducing new products that give Building Products a strong position in the industry. Export sales of roofing and wood fibre products, mainly to the U.S., continue to remain strong with the current rate of exchange between the Canadian and U.S. currencies.

Emco expects that demand for its roofing products will continue to increase during the next five years based on a number of factors including the current age of housing stock, an increase in the rate of replacement of roofs, an increase in the size and complexity of roofs generally and continued growth in housing starts, especially in single family units.

Metcraft's sales of POWER SOAK more than doubled in 1999 over the previous year with another major roll out of this equipment to a key fast food chain account. In addition, the subsidiary was active during the year testing POWER SOAK with other international fast food restaurants. Total customer orders for the year exceeded the record set in 1997. Management expects that sales of POWER SOAK will continue to grow with expanded sales of this product to new customers and new markets. Metcraft's sales of securityware remained strong throughout the year and are expected to increase further in 2000. In 1999, Metcraft extended its licensing agreement to manufacture and sell POWER SOAK beyond North America and the first installation of this product in Europe was completed early in 2000. Other major food service restaurant chains are currently testing POWER SOAK and, as a result, management believes that Metcraft has a significant potential for growth.

Interest expense

Interest expense for 1999 was $14.2 million representing a decrease from $14.7 million in 1998. The Company borrowed $75.0 million under its bank credit facility in September 1999 to finance the repurchase of approximately 7.9 million of its outstanding common shares under a Substantial Issuer Bid. As a result, interest expense in the last quarter of 1999 increased to $4.6 million from $3.9 million for the same period in the prior year.



Income taxes

Emco provides for income taxes on earnings from its Canadian and U.S. businesses based on current statutory rates. The combined effective tax rate differs from these statutory rates because of the effect of various permanent differences between accounting and taxable income. The remaining balance of the income tax benefit relating to accumulated losses of Emco's subsidiaries in prior years has been applied to offset earnings from its U.S. subsidiaries in 1999 and in 1998. The potential income tax benefit relating to $4.0 million of accumulated losses of the U.S. subsidiaries still remaining from prior years has not been recognized in the consolidated financial statements.

The effective income tax rate increased from 33.6% in 1998 to 44.9% in 1999. The provision for income taxes in 1998 benefited from the non-taxable portion of the gain on the sale of Kindred and from a higher realization of the tax benefit of prior years' U.S. losses applied against earnings of the Company's U.S. subsidiaries.

Earnings per share

Basic earnings per share for 1999 were $0.43, down from $1.18 in 1998. On a fully diluted basis, earnings per share decreased to $0.43 in 1999 from $1.09 in 1998. Fully diluted earnings per share for 1998 amounted to $0.62 before a restructuring charge of $0.14 per share and a gain of $0.61 from the disposal of Kindred Industries.

On September 7, 1999, the Company repurchased 7,894,737 of its shares by way of a Substantial Issuer Bid, representing approximately 33% of the total common shares outstanding at the time, for $75.0 million. Between October 19, 1999 and December 31, 1999, Emco repurchased 116,300 common shares by way of a Normal Course Issuer Bid. The effect of these repurchases on 1999 earnings per share was minimal as they were completed late in the year. The lower number of shares outstanding will have a positive impact on future earnings per share.

Changes in Accounting Policies

The Company will prospectively adopt the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") to account for income taxes, effective January 1, 2000. The expected impact on the consolidated balance sheet amounts is estimated to be a decrease to the opening balance of retained earnings of $526,000, an increase in property, plant and equipment of $9,780,000 and an increase in future tax liabilities of $10,306,000 which arise as a result of taxable temporary differences.

The Company will retroactively adopt the new recommendations of the CICA to account for employee future benefits, effective January 1, 2000. The expected impact on the consolidated balance sheet amounts is estimated to be a decrease to the opening balance of retained earnings of $981,000, an increase in the accrued benefit obligation of $1,784,000 and a decrease in future tax liabilities of $803,000.

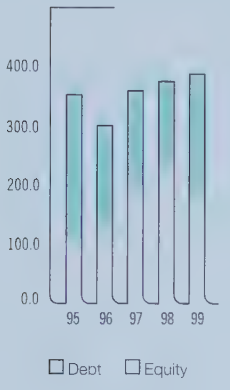
The Company will not have any additional liability for the payment of cash income taxes as a result of the adoption of these accounting policies.

Consolidated financial position

Total assets as of December 31, 1999 increased by $12.7 million from a year earlier mainly as a result of increases in current assets of $11.5 million. Inventory increases of $4.1 million can be attributed to higher levels of building materials in stock at the end of the year. Working capital increased from $235.0 million at December 31, 1998 to $245.2 million at December 31, 1999.

Long-term debt increased from $76.1 million at the end of 1998 to $154.2 million at December 31, 1999. In September 1999, Emco borrowed $75.0 million to repurchase approximately 7.9 million shares by way of a Substantial Issuer Bid. In October 1999, the Company announced its intention to purchase up to 5% or approximately 0.8 million common shares and up to 5% or approximately $3.8 million of its 6½% convertible subordinated debentures by way of a Normal Course Issuer Bid. As of December 31, 1999, 116,300 shares had been purchased at an average price of $5.66 per share for a total consideration of approximately $0.7 million. The Company invested $11.3 million in purchases of property, plant and equipment and $7.1 million in acquisitions during the year. Cash generated from operating activities during the year amounted to $15.3 million.

Total Capital
($millions)



Shareholders' equity, which includes the equity component of the 6½% convertible unsecured subordinated debentures, decreased by a net amount of $63.9 million in the year to $171.7 million at December 31, 1999. Excluding the repurchase of outstanding shares in 1999, shareholders' equity would have increased by $11.8 million.

Emco's current Credit Agreement with a syndicate of seven Canadian banks was first established in 1993. In 1997, the Company signed an amended and restated agreement providing for a revolving term loan of up to $190.0 million, and in 1998 the credit facility was increased to $253.0 million. Under the current agreement, the banks' security consists of a specific charge on accounts receivable and inventories. The maturity date of the amended agreement is February 24, 2002. This maturity date may be extended at the request of the Company by one year with the consent of the syndicate lenders. Management believes this credit facility will be sufficient to fund short-term seasonal cash requirements, capital expenditures and future expansion.

The Company maintained the quality of its working capital in 1999. Days sales outstanding at December 31, 1999 increased slightly to 47 days from 46 days a year earlier. Bad debt expense was approximately .13% of sales in 1999, unchanged from 1998. The rate of inventory turns, excluding businesses sold, was 4.3 turns in 1999 up slightly from 4.2 turns in 1998.

On January 2, 1998, the Company repurchased the balance of the outstanding 8% subordinated debentures in the amount of $30.0 million at a premium of 1.2%. On April 30, 1998, the Company made a sinking fund payment of $8.7 million, as required, on the 7¼% subordinated debentures, and on June 29, 1998, redeemed an additional $28.9 million of these debentures at par. As a result of the early redemption of a portion of the 7¼% debentures, no sinking fund payments will be required until April 30, 2002. The balance of the 7¼% subordinated debentures outstanding at December 31, 1999 was $32.3 million.

In 1997, Emco issued $75.0 million 6½% convertible unsecured subordinated debentures. These debentures are scheduled to mature on July 4, 2007 and may be repaid at maturity, at the Company's option, in common shares of Emco Limited. The 6½% debentures are convertible, at the option of the holder, into common shares of the Company at a conversion price of $19.75 per share. The debentures may be redeemed by the Company at any time after January 4, 2001 and prior to maturity with cash or with common shares of Emco Limited. As outlined in note 1 to the consolidated financial statements, the Company has included the debt component of these debentures, $26.8 million as at December 31, 1999, as a component of its long-term liabilities, and has included the equity component of the debentures, $46.3 million at December 31, 1999, as part of shareholders' equity.

At December 31, 1999, 40.6% of the Company's total indebtedness, relating to the subordinated debentures, is subject to a weighted average fixed interest rate of 6.72%. In comparison, 58.0% of the total indebtedness at December 31, 1998, relating to the subordinated debentures, was subject to a weighted average fixed interest rate of 6.73%. The equity component of the 6½% convertible unsecured subordinated debentures has been included as part of the Company's total indebtedness in determining the weighted average fixed interest rates for 1999 and 1998.

Emco does not have any significant currency exchange risk. The exposure related to Emco's investment in its U.S. subsidiaries is substantially offset by the Company's U.S. dollar borrowings. Its trade account balances with U.S. suppliers and customers also represent a partial, natural hedge. The Company accounts for currency gains and losses on the translation of the investment in its U.S. subsidiaries and the borrowings in U.S. funds as part of the cumulative translation adjustments in shareholders' equity. Currency gains and losses arising during the year that relate to trade account balances are included in the results of operations. The cumulative translation adjustments decreased during the year from $3.8 million at December 31, 1998 to $3.1 million at December 31, 1999.

Emco's current ratio at December 31, 1999 is 2.56 to 1 compared to 2.51 to 1 at December 31, 1998. The ratio of total debt to total capital at December 31, 1999 is 0.55 to 1 compared to 0.37 to 1 at December 31, 1998. The ratio of total debt to total capital increased in 1999 because of the Company's decision to repurchase some of its common shares for a total consideration, including costs, of $76.2 million.

Consolidated cash flows

Total net cash used by the Company in 1999 amounted to $0.7 million, an improvement from $20.8 million in total cash used in the previous year, before the proceeds from the sale of the Kindred Industries division of $38.1 million. Included in total cash used in 1999 and 1998 were the acquisitions of businesses in the amounts of $7.1 million and $9.4 million respectively.

Cash provided by the Company's operations in 1999 amounted to $15.3 million compared to $0.1 million in 1998. Before payments in 1998 of the previous year's income taxes, cash provided by operations in that year amounted to $16.0 million.

Emco invested $11.3 million in new machinery and equipment in 1999 compared to $13.4 million in 1998. Expenditures in the current year were directed mainly towards further improvements in manufacturing efficiency and increased capacity at the Company's production facilities in Québec as well as a continued investment in new technology, a major component of Emco Distribution's reengineering project. Additional capital expenditures for these initiatives are planned for 2000 with the required funds to be provided by operations.

Purchases of Property and Equipment:

(Millions)	1999	1998
By Business Segment:		
Emco Distribution	$ 4.0	$ 4.6
Emco Manufactured Building Products	7.2	8.7
Corporate	0.1	0.1
	$ 11.3	$ 13.4
By Type of Expenditure:		
Expansion	$ 3.8	$ 5.2
Increase in efficiency	7.4	7.8
Environmental protection	0.1	0.4
	$ 11.3	$ 13.4

In September 1999, the Company repurchased 7,894,737 of its outstanding common shares for a total cash consideration, including costs, of $75.5 million pursuant to a Substantial Issuer Bid. During the fourth quarter of the year, pursuant to a Normal Course Issuer Bid, Emco purchased approximately 116,300 of its shares for a total cash consideration of approximately $0.7 million.

Year 2000 Issue

Because of the possibility that significant errors could have resulted at the beginning of the year 2000 if certain computerized systems had failed to properly process information using year 2000 dates, the Company developed a Year 2000 Plan to deal with this issue on a risk basis. The Company's objectives of completing all necessary changes and testing critical business systems before the end of 1999 were met and no major failures were detected at the beginning of 2000. The testing of non-information technology systems, mainly manufacturing process control technology, was also successfully completed on a timely basis, and no issues have arisen.

Emco expensed $0.8 million to the end of 1999 addressing the Year 2000 Issue. These costs were in excess of the conversion or replacement of the Company's primary information systems, the costs of which had already been included as part of the Company's overall Information Technology Plan.

During 1999, Emco also made inquiries to ensure that major third party businesses and providers of infrastructure services would be prepared for the Year 2000. With the arrival of 2000, Emco is not aware of any third party's Year 2000 non-compliance that has had or could have an effect on the Company's operations. Emco will continue to monitor its information systems throughout the year 2000 and make inquiries of its suppliers to ensure that no Year 2000 issues arise.

Environmental matters

Emco has environmental programs designed to ensure that it continues to be in substantial compliance with all applicable environmental regulations. The Company invested $0.1 million in related environmental capital expenditures in 1999 and anticipates that additional capital expenditures of approximately $1.8 million will be necessary over the next three years to ensure its facilities and operations continue to comply with such regulations.

Emco did not incur any material expense in addressing any environmental issues during the year ended December 31, 1999, nor is there any material expense or effect on operations presently anticipated for future years as a result of such requirements.

Commitments and contingencies

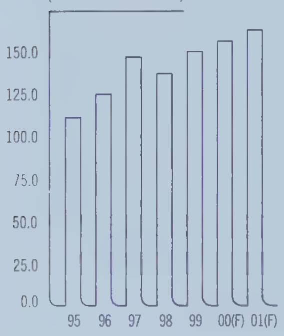
The Company leases certain facilities under agreements that expire at various dates with aggregate future minimum payments of $39.8 million. The Company also leases certain equipment and vehicles under operating leases that expire at various dates with aggregate future minimum payments of $12.0 million.

Certain actions and legal proceedings arising in the normal course of business, in addition to those otherwise provided for in the financial statements, are pending against the Company. It is the opinion of Management that the outcome of these matters is not likely to have a material effect on the Company's financial position or the results of its operations.

Outlook

Canada's gross domestic product (GDP) exceeded forecasted growth for the year, increasing by approximately 2.9% for 1999. The Conference Board of Canada forecasts that the economy will grow by 3.5% in 2000, as measured by increased GDP. Some recovery in demand for Canadian exports to Asian countries and improved commodity prices should contribute to stronger economies for British Columbia, the Prairie provinces, northern Ontario and the Atlantic provinces. Current forecasts call for the Canadian dollar to remain at levels that, in relation to the U.S. dollar, will continue to aid in the export of goods to the U.S. The Conference Board of Canada's January 2000 forecast indicates that interest rates will increase moderately in 2000 and inflation as measured by the consumer price index will increase by 2%.

Housing Starts
(thousands of units)



Source: CMHC

According to CMHC, new residential construction in Canada is expected to increase by 4.6% in 2000 to approximately 153,200 starts and renovation spending in Canada will increase by 5.4% in 2000.

Actions taken by management to address each of the four main factors that affected the 1999 results, are expected to contribute to improved operating earnings. Announced price increases for roofing products take effect in the first quarter of 2000. Lower operating expenses and lower negotiated pricing with suppliers will begin to have a positive impact on Pro-Fit's operating earnings in the first half of 2000. With increased activity in the oil and gas sector, our continued commitment to industrial products will lead to increased sales in this product category in 2000. And benefits from reengineering will increase in 2000 and beyond. In addition, earning per share will benefit from Emco's share repurchases. The introduction of new products and continued high efficiencies in production will contribute to increases in Building Products' results in 2000. Sales and operating earnings for Metcraft are expected to improve further as additional confirmed orders for its POWER SOAK product are delivered next year.

The management of Emco Limited is committed to these actions and others that establish a foundation for growth in all of its businesses. As Canada's economy continues to improve in all regions of the country, the Company will be well positioned to realize improved earnings as a result of these actions.

Forward-looking Statements

Forward-looking statements contained in the Management's Discussion & Analysis and other sections of this Annual Report are made based on management's expectations and beliefs concerning future events. The business risks that the Company faces, changes in economic conditions and other uncertainties may affect Emco's ability to achieve these expectations. Actual results, therefore, could differ materially from those expressed or implied.

Responsibility for financial reporting

The consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is responsible for all information in the annual report and financial and operating data in the report are consistent, where appropriate, with the consolidated financial statements. Management is also responsible for ensuring that the choice and application of specific accounting policies and methods are appropriate in the Company's circumstances, and for maintaining appropriate internal controls over the financial reporting process to provide reasonable assurance that relevant and reliable financial information is produced.

Because a precise determination of many assets and liabilities is dependent on future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement and with all information available. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in note 1 to the consolidated financial statements.

The Company's Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and is responsible for approving the financial information contained in the annual report. The Board of Directors annually appoints an audit committee comprised of outside directors. The committee meets with management, the Company's internal auditors and the independent auditors to review any significant accounting and auditing matters, discuss the results of audit examinations and assess internal controls over the financial reporting process. The audit committee also reviews the consolidated financial statements and auditors' report and submits its findings to the Board of Directors for their consideration in approving the consolidated financial statements.

Douglas E. Speers President and Chief Executive Officer	Richard B. Grogan Executive Vice President and Chief Financial Officer

London, Canada, February 17, 2000

Auditors' report

We have audited the consolidated balance sheets of Emco Limited as at December 31, 1999 and December 31, 1998 and the consolidated statements of earnings, retained earnings and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and December 31, 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
London, Canada
February 17, 2000

Consolidated Statements of Earnings

Years ended December 31, 1999 and 1998

	1999	1998
	(000s)	
Sales	$ 1,244,216	$ 1,242,721
Cost of sales	976,476	955,737
Selling and administrative expenses	223,588	231,946
Depreciation and amortization	12,356	12,744
	1,212,420	1,200,427
Operating earnings before restructuring charge	31,796	42,294
Restructuring charge (note 8)	–	8,000
Operating earnings	31,796	34,294
Interest and other (note 9)	14,596	14,980
Gains on disposals	(2,188)	(25,005)
	12,408	(10,025)
Earnings before income taxes	19,388	44,319
Income taxes (note 10)	8,700	14,900
Net earnings	$ 10,688	$ 29,419
Earnings per share - basic	$ 0.43	$ 1.18
- fully diluted	$ 0.43	$ 1.09

See accompanying notes to consolidated financial statements.

Consolidated Statements of Retained Earnings

Years ended December 31, 1999 and 1998

	1999	1998
	(000s)	
Retained earnings, beginning of year	$ 85,158	$ 57,164
Net earnings	10,688	29,419
Repurchase of shares (note 7)	(41,328)	–
Increase in equity component of convertible debentures, net of tax	(1,554)	(1,425)
Retained earnings, end of year	$ 52,964	$ 85,158

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

December 31, 1999 and 1998

		1999		1998
			(000s)	
Assets				
Current assets:				
Accounts receivable	$	177,385	$	172,903
Inventories (note 2)		215,345		211,284
Income and other taxes receivable		1,418		–
Deferred income taxes		1,410		2,697
Other		6,322		3,532
		401,880		390,416
Property, plant and equipment (note 3)		116,099		117,375
Other long-term assets (note 4)		17,439		17,256
Goodwill		26,162		23,844
	$	561,580	$	548,891
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	156,721	$	152,098
Income and other taxes payable		–		3,285
		156,721		155,383
Long-term debt (note 5)		154,198		76,147
Subordinated debentures (note 6)		59,052		61,471
Deferred income taxes		19,955		20,305
Shareholders' equity:				
Capital stock (note 7)		69,215		102,853
Equity component of convertible subordinated debentures		46,330		43,737
Retained earnings		52,964		85,158
Cumulative translation adjustments (note 13)		3,145		3,837
		171,654		235,585
Commitments and contingencies (notes 15 and 16)				
	$	561,580	$	548,891

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Fran G McHennessey

Director

Director

Consolidated Cash Flow Statements

Years ended December 31, 1999 and 1998

		1999		1998
			(000s)	
Cash flows from operating activities				
Net earnings	$	10,688	$	29,419
Adjustments for:				
Depreciation and amortization		12,820		13,040
Gain on disposals		(2,188)		(25,005)
Deferred income taxes		937		2,139
Changes in non-cash working capital:				
Accounts receivable		(2,454)		70
Inventories		(3,111)		(5,500)
Accounts payable and accrued liabilities (note 9)		3,931		6,926
Income and other taxes payable (note 10)		(3,664)		(19,976)
Other		(1,626)		(985)
		15,333		128
Cash flows from investing activities				
Purchases of property, plant and equipment		(11,340)		(13,421)
Proceeds on disposal of property, plant and equipment		3,642		197
Decrease (increase) in other long-term assets		(1,161)		1,662
Purchases of businesses (note 11)		(7,140)		(9,384)
Proceeds on disposal of businesses		–		38,117
		(15,999)		17,171
Total cash flows from operating and investing activities	$	(666)	$	17,299
Cash flows from financing activities				
Increase in long-term debt	$	78,051	$	50,095
Repurchase of common shares		(76,158)		–
Repurchase of 7 1/4% subordinated debentures		–		(28,863)
Repurchase of 8% subordinated debentures		–		(29,998)
Retirement of 7 1/4% subordinated debentures		–		(8,734)
Reduction of debt component of 6 1/2% debentures		(2,419)		(2,217)
Issue of common shares		1,192		2,418
	$	666	$	(17,299)

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

1. Significant accounting policies:

The accompanying financial statements are prepared on the historical cost basis in accordance with accounting principles generally accepted in Canada which differ from generally accepted accounting principles in the United States as further described in note 19. Significant accounting policies are summarized below.

(a) *Principles of consolidation:*

The accompanying financial statements consolidate the accounts of all subsidiary companies.

(b) *Foreign currency translation:*

Self-sustaining U.S. operations:

Assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Revenue and expense items are translated at the exchange rates in effect on the dates on which such items are recognized in the statement of earnings. Exchange gains and losses arising from such translations are deferred and included in cumulative translation adjustments as a separate component of shareholders' equity. Also included in cumulative translation adjustments are exchange gains and losses on foreign currency denominated loans which serve as a hedge of the Company's net investment in its U.S. operations.

Transaction gains and losses:

Transactions in foreign currencies are translated at the exchange rates in effect on the transaction dates. Monetary assets and liabilities resulting from such transactions are adjusted to reflect the exchange rates in effect at the balance sheet date and the resulting gain or loss is recognized in the statement of earnings.

(c) *Inventories:*

Inventories are carried at the lower of cost and market, with cost determined on a first-in, first-out basis and market defined as replacement cost for raw materials and net realizable value for work in process and finished goods.

(d) *Property, plant and equipment:*

Property, plant and equipment are recorded at cost.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Depreciation rates are as follows: buildings, 2.5% to 5%; roadways, 10%; machinery and equipment, 6% to 20%.

(e) *Goodwill:*

The excess of the purchase price of businesses acquired over the fair value of the underlying net tangible assets is recorded as goodwill and amortized over periods up to 40 years based on the expected future benefits. Management reviews the carrying amounts and remaining useful lives of goodwill balances whenever events or changes in circumstances occur that could impair future operating cash flows of the businesses acquired.

(f) *Convertible subordinated debentures:*

The Company has accounted for the debt and equity components of the 6½% convertible subordinated debentures separately, in accordance with Canadian generally accepted accounting principles in effect at the time of their issuance. The debt component represents the present value of required future interest payments to be made in respect of the debentures, calculated using prevailing interest rates for non-convertible instruments at the time of issue. The equity component (included as a separate component of shareholders' equity) represents the present value of the future distribution of common shares which the Company may, at its option, issue in satisfaction of the redemption or repayment of the debentures.

(g) *Pension and other post-retirement benefits:*

For defined benefit pension plans, the accrued benefit method has been used to determine pension costs. Adjustments arising from plan amendments, experience gains and losses, changes in actuarial assumptions, and the difference at January 1, 1987 between the actuarial present value of accrued pension obligations and the market value of pension plan assets are amortized over the expected average remaining service lives of the respective employee groups.

For defined contribution pension plans, employer contributions are expensed as incurred. The costs of providing other post-retirement benefits are also expensed as incurred.

(h) *Stock-based compensation plans:*

At December 31, 1999 the Company had stock-based compensation plans, which are described in Note 7. No compensation expense is recognized for these plans when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to capital stock. If stock or stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock or stock option cancelled is charged to retained earnings. Entitlements under stock appreciation rights are recorded as compensation expense.

(i) *Derivative financial instruments:*

Amounts receivable or payable under interest rate swap agreements entered into from time to time to hedge interest rate exposures are accrued as interest rates change and are recognized as adjustments to interest expense.

Gains and losses related to foreign exchange contracts entered into to hedge certain firm purchase and sale commitments denominated in foreign currencies are deferred and recognized in income or as adjustments of carrying amounts when the hedged transactions occur.

(j) *Earnings per share:*

Earnings per share are calculated using the weighted daily average number of shares outstanding, with net earnings adjusted for the charge to retained earnings required to reflect the increase in the present value of the equity component of convertible debentures. Fully diluted earnings per share reflect the dilutive effect, if any, which would have resulted if the convertible subordinated debentures and options under the Company's long-term incentive plan and stock option plan had been converted into common shares as of January 1 or as of the date of issue, if later.

(k) *Measurement uncertainty:*

The preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the balance sheet date and the reported amount of revenue and expenses during the year. The inherent uncertainty involved in making such estimates may impact the actual results reported in future periods.

2. Inventories:

	1999	1998
	(000s)	
Raw materials	$ 7,256	$ 5,312
Work in process	3,230	1,583
Finished goods	204,859	204,389
	$ 215,345	$ 211,284

3. Property, plant and equipment:

	1999	1998
	(000s)	
Buildings and roadways	$ 63,100	$ 62,481
Machinery and equipment	141,265	133,677
	204,365	196,158
Less accumulated depreciation	98,378	89,540
	105,987	106,618
Land	10,112	10,757
	$ 116,099	$ 117,375

4. Other long-term assets:

	1999	1998
	(000s)	
Pension plan assets in excess of accrued benefit obligations	$ 9,824	$ 9,263
Long-term receivables and investments	6,811	7,101
Debt financing costs	804	892
	$ 17,439	$ 17,256

Pension plan assets in excess of accrued benefit obligations result from acquisitions of businesses in prior years and from the ongoing application of the accrued benefit method of accounting for defined benefit pension costs.

Long-term receivables and investments in notes and preference shares arose primarily from the disposal of businesses in prior years.

5. Long-term debt:

	1999	1998
	(000s)	
Revolving term loan under syndicated bank credit facility:		
Canadian dollar loans, bearing interest at bank prime rate	$ 32,806	$ 537
Canadian bankers' acceptances, bearing interest at bankers' acceptance rates plus 1½% (1998 - bankers' acceptance rates plus ⅝%)	55,000	45,000
U.S. borrowings bearing interest at U.S. LIBOR rates plus 1½% (1998 - U.S. LIBOR rates plus ⅝%)	66,392	30,610
	$ 154,198	$ 76,147

At December 31, 1999, the bank credit facility consisted of a revolving term loan of up to $253.0 million available in Canadian dollars and/or U.S. dollars with interest rates based on the lending rates of participating financial institutions as determined from time to time. The facility is secured by the Company's accounts receivable and inventories with provisions for the removal of this security when certain interest coverage tests are met.

The loan agreement is scheduled to mature on February 24, 2002, but may be extended by one year at the request of the Company, subject to the unanimous consent of the syndicate lenders.

6. Subordinated debentures:

	1999	1998
	(000s)	
7 1/4% subordinated debentures	$ 32,276	$ 32,276
Debt component of 6 1/2% convertible subordinated debentures	26,776	29,195
	$ 59,052	$ 61,471

The Company retired $8.7 million of the 7 1/4% subordinated debentures at par, as required, on April 30, 1998 and on June 29, 1998 repurchased $28.9 million of these debentures at par. The repurchase fulfilled the Company's sinking fund obligations for the years 1999 through 2001 inclusive. The remaining balance becomes due on April 30, 2002.

The Company may not redeem the 6 1/2% convertible unsecured subordinated debentures prior to January 4, 2001. Thereafter, until January 4, 2002, the debentures will be redeemable, in whole or in part, at par provided that the weighted average trading price of the common shares of Emco Limited on the Toronto Stock Exchange during the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price (see note 7). Thereafter, the debentures will be redeemable by the Company at par. The Company may, at its option, satisfy its obligation to repay the principal amount of the debentures on redemption or at maturity with common shares of Emco Limited.

On October 14, 1999 the Company announced its intention to purchase up to 5% or $3,750,000 of its 6 1/2% convertible subordinated debentures by way of a Normal Course Issuer Bid (see note 7).

The debentures are direct unsecured obligations of the Company, rank pari passu with each other and are subordinate to all other indebtedness of the Company for borrowed money.

7. Capital stock:

		Number of shares issued and outstanding	
	Authorized	1999	1998
Preference shares without par value	Unlimited	–	–
Common shares without par value	Unlimited	15,892,812	23,757,996

The 6 1/2% convertible unsecured subordinated debentures are convertible at the option of the holder into common shares of the Company at any time at a conversion price of $19.75 per common share.

The Company has reserved 2,200,000 common shares for issuance under its 1991 long-term incentive plan. The options vest over a five-year period, and are exercisable within ten years of issue at prices ranging from $4.90 to $17.25 per share. Under the 1991 long-term incentive plan the Company has granted 67,000 stock appreciation rights as at October 1, 1999. As at December 31, 1999, 67,000 rights remain outstanding. The rights vest over a five-year period, and are exercisable within ten years at a price of $6.45.

Transactions under the 1991 long-term incentive plan during 1999 and 1998 are summarized as follows:

	1999		1998	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding, beginning of year	1,376,300	$ 11.37	1,155,680	$ 8.73
Granted	181,100	6.45	420,200	17.25
Exercised	(17,100)	5.63	(175,080)	7.61
Cancelled	(57,600)	12.54	(24,500)	14.56
Outstanding, end of year	1,482,700	$ 10.79	1,376,300	$ 11.37
Options exercisable, end of year	668,312		455,264	

The following table summarizes information about the stock options outstanding at December 31, 1999:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/99	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/99	Weighted-Average Exercise Price
$ 4.90 to 5.00	199,080	6.1 years	$ 4.90	119,448	$ 4.90
5.01 to 7.50	401,540	6.8	6.72	189,444	6.95
7.51 to 10.00	77,760	4.1	9.50	77,760	9.50
10.01 to 12.50	355,500	7.2	11.20	142,200	11.20
12.51 to 15.00	31,600	7.4	14.47	31,600	14.47
15.01 to 17.25	417,220	8.1	17.12	107,860	16.74
	1,482,700	7.0	$ 10.79	668,312	$ 9.72

The Company had reserved 660,000 common shares for issuance under its 1998 stock option plan. As at December 31, 1999, options to purchase 576,000 common shares had been issued, none had been exercised and 576,000 had been cancelled, leaving no options to purchase outstanding. As at December 31, 1998, options to purchase 576,000 common shares had been issued, none had been exercised and 12,000 had been cancelled, leaving options to purchase 564,000 shares outstanding. Exercise of the options was conditional on one or more requirements relating to share price and earnings per share being satisfied within three years of the date of grant. Once one or more of these conditions was fulfilled, the options would vest immediately on a change of control of the Company or over a three-year period otherwise. The plan was cancelled effective June 30, 1999 in connection with the Substantial Issuer Bid capital reorganization. The cancelled options will be replaced with a bonus plan that will compensate employees in a similar fashion.

The Company has reserved 525,000 common shares for issuance under an employee stock purchase plan, which came into effect on September 1, 1993. The plan provides that employees may direct up to 5% of their salaries or wages to purchase common shares from treasury. The Company's contributions to the plan are equal to 50% of the employee's contributions to a maximum of 1.5% of the employees' salary or wages. As at December 31, 1999, 507,231 common shares had been issued for cash proceeds of approximately $4,570,000. As at December 31, 1998, 378,478 common shares had been issued for cash proceeds of approximately $3,474,000.

On September 3, 1999, the Company completed a Substantial Issuer Bid and repurchased 7,894,737 common shares representing approximately 33% of the total common shares outstanding at that date, for $9.50 per share. This bid was made pursuant to an offer made to shareholders on June 30, 1999. The cost of this repurchase was $75,000,000 and was funded through the Company's bank credit facility. Capital stock was reduced by $35,325,000, the weighted average issue cost of the common shares. The difference between the consideration paid and the weighted average issue cost along with the associated costs of the transaction, net of applicable income taxes, was charged to retained earnings.

On October 14, 1999, the Company announced its intention to purchase up to 798,121 of its common shares and a maximum of 5% or $3,750,000 of its 6½% convertible subordinated debentures by way of a Normal Course Issuer Bid. The 798,121 shares represent 5% of the total of 15,962,429 common shares outstanding at September 30, 1999. The Normal Course Issuer Bid expires on the earlier of October 18, 2000 and the dates on which the maximum number of shares and the maximum number of 6½% convertible subordinated debentures have been purchased. Shares and debentures purchased by way of the Normal Course Issuer Bid will be cancelled. As at December 31, 1999, the Company had repurchased 116,300 shares at a cost of $657,845.

8. Restructuring charge:

In 1998, the Company undertook a significant reengineering initiative, with respect to the Canadian distribution business, to create operating efficiencies, cost savings, and revenue enhancement opportunities. As a result of that initiative, the Company recorded a restructuring charge for $8.0 million in the fourth quarter of 1998. As of December 31, 1999, the remaining estimated provision associated with this charge amounted to $2.5 million (1998 - $6.5 million). It is expected that the restructuring will be substantially completed by the end of the first quarter of 2000. The restructuring costs incurred during 1999 include $2.6 million (1998 - $0.9 million) for severance, $0.6 million (1998 - $0.1 million) for lease terminations and facility exit costs, and $0.8 million (1998 - $0.5 million) for other related costs of consolidation. The remaining provision includes estimated costs of $0.6 million for severance, $1.5 million for lease terminations and facility exit costs, and $0.4 million for other related costs of consolidation.

9. Interest and other:

		1999		1998
			(000s)	
Interest on long-term debt	$	9,364	$	8,408
Interest on subordinated debentures		4,796		6,252
Amortization of debt financing costs		436		320
	$	14,596	$	14,980

Cash interest paid during the year totalled $16.2 million (1998 - $17.5 million), including $4.9 million (1998 - $4.9 million) paid to holders of the 6½% convertible debentures. For financial statement purposes, interest on the 6½% convertible debentures has been accounted for in accordance with note 1(f).

10. Income taxes:

A reconciliation of combined statutory federal and provincial income tax rates to the effective tax rate on earnings before income taxes is as follows:

		1999		1998
			(000s)	
Earnings before income taxes	$	19,388	$	44,319
Expected tax expense at Canadian statutory rates of 43.5%		8,434		19,279
Effect of non-deductible adjustments		2,136		1,872
Manufacturing and processing profits deduction		(467)		(1,174)
Realization of tax benefit of prior years' U.S. losses not previously recognized for financial statement purposes		(806)		(3,559)
Effect of non taxable portion of capital gains		(144)		(1,910)
Other		(453)		392
	$	8,700	$	14,900
Effective income tax rate		44.9%		33.6%

The potential income tax benefit relating to $4.0 million (1998 – $5.0 million) of accumulated losses of Emco's U.S. subsidiaries has not been recognized in these consolidated financial statements. These losses are available to reduce U.S. federal taxable income earned by the Company's U.S. operations in future years. These losses if unused would expire as follows: $3.5 million in 2010 and $0.5 million in 2011.

Total income taxes paid during the year amounted to $10.7 million (1998 - $31.1 million).

11. Acquisitions:

On January 4, 1999, the Company acquired all of the assets of Albert Viau Ltée., a waterworks distributor in Québec. The acquisition has been accounted for by the purchase method and the results of operations have been included from the date of acquisition. The assets acquired at their assigned values and the additional consideration, are as follows:

		1999		1998
			(000s)	
Assets acquired	$	3,278	$	10,159
Goodwill		1,346		5,000
	$	4,624	$	15,159
Less liabilities assumed		–		(5,775)
Net assets acquired for cash consideration	$	4,624	$	9,384
Goodwill relating to past acquisitions, arising on exceeding specified earnings levels		2,516		–
Total cash consideration	$	7,140	$	9,384

12. Pensions:

At December 31, 1999, the aggregate actuarial present value of accrued pension benefit obligations under defined benefit pension plans was $68.0 million (1998 – $64.4 million) and the aggregate market value of the related pension plan assets was $85.1 million (1998 – $82.9 million). A portion of the excess of pension plan assets over accrued benefit obligations has been recognized in these financial statements (see note 4).

13. Financial instruments:

The Company has only limited involvement with derivative financial instruments and does not use them for trading purposes. They are used to manage well-defined interest rate and foreign exchange risks.

Interest rate swap agreements have been used from time to time to manage interest expense associated with the Company's long-term debt. The swap agreements typically require the Company to pay to a counterparty, on an ongoing basis, the difference between prevailing floating rates and a fixed rate. At December 31, 1999 and at December 31, 1998, the Company was not party to any interest rate swap agreements or foreign exchange contracts.

The following table presents the carrying amounts and fair values of the Company's fixed rate financial instruments at December 31, 1999 and 1998:

	1999		1998	
		(000s)		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
7¼% subordinated debentures	$ 32,276	$ 30,662	$ 32,276	$ 30,985
6½% convertible subordinated debentures	73,106	57,375	72,932	66,000

The fair values of the Company's debentures are determined based on quoted market prices at December 31, 1999 and 1998. The fair values of all other financial instruments at December 31, 1999 and 1998 are considered to approximate their carrying amounts.

Foreign exchange gains aggregating $3.2 million (1998 – losses of $2.4 million) on U.S.denominated bank debt, which serves as a hedge on the Company's net investment in its U.S. operations, have been included in cumulative translation adjustments, as an offset to translation losses on the U.S. operations of $3.9 million (1998 – gains of $5.8 million).

14. Related party transactions:

The following transactions had occurred with, and balances were owed to/from, affiliates of Masco Corporation, a principal shareholder of the Company, at December 31:

		1999		1998
			(000s)	
Transactions:				
Sales	$	–	$	110
Purchases		29,480		28,857
Interest expense		–		1,125
Balances:				
Trade accounts receivable	$	–	$	43
Trade accounts payable		7,120		3,265

15. Commitments:

The Company leases certain facilities, equipment and vehicles under operating leases. The leases expire at various dates and require aggregate future minimum payments of $51.8 million. Minimum payments required under these leases over the next five years are as follows:

		(000s)
2000	$	15,064
2001	$	9,989
2002	$	7,455
2003	$	4,940
2004	$	3,389

16. Contingencies:

Certain actions and legal proceedings arising in the normal course of business, in addition to those otherwise provided for in the financial statements, are pending against the Company. In the opinion of management, the outcome of these matters is not likely to have a material adverse effect on the Company's financial position or the results of its operations.

17. Segmented Information:

The Company has defined its reportable segments to be Emco Distribution, a wholesale distributor of: plumbing and hydronic heating; heating, ventilation, air-conditioning and refrigeration (HVAC/R); industrial pipe, valves and fittings (PVF); and waterworks products, and Emco Manufactured Building Products, a manufacturer and distributor of building materials. This segmentation is consistent with the manner in which senior management makes operating decisions and evaluates performance. The Company evaluates performance based on profit or loss from operations before restructuring charge and interest, gains on disposals and income taxes. Inter-segment sales occur on commercial trade terms. The former business reflected in the 1998 amounts included results from Kindred Industries.

The operating results and identifiable assets by reportable segment and geographic area are as follows:

REPORTABLE SEGMENTS		**1999**	**1998**
		(000s)	
Sales to outside customers	Emco Distribution	$ 974,069	$ 965,584
	Emco Manufactured Building Products	270,147	250,113
		1,244,216	1,215,697
	Former Business	–	27,024
		$ 1,244,216	$ 1,242,721
Sales to other segments	Emco Manufactured Building Products	$ 311	$ 194
	Former Business	–	6,537
		$ 311	$ 6,731
Operating earnings before restructuring charge	Emco Distribution	$ 23,499	$ 30,892
	Emco Manufactured Building Products	16,898	16,926
	Corporate and other	(8,601)	(9,277)
		31,796	38,541
	Former Business	–	3,753
		$ 31,796	$ 42,294
Identifiable assets	Emco Distribution	$ 378,585	$ 378,809
	Emco Manufactured Building Products	166,902	153,855
	Corporate and other	16,093	16,227
		$ 561,580	$ 548,891
Depreciation and amortization	Emco Distribution	$ 3,854	$ 3,561
	Emco Manufactured Building Products	8,040	7,225
	Corporate and other	462	693
		12,356	11,479
	Former Business	–	1,265
		$ 12,356	$ 12,744
Capital expenditures	Emco Distribution	$ 4,058	$ 4,585
	Emco Manufactured Building Products	7,153	7,922
	Corporate and other	129	145
		11,340	12,652
	Former Business	–	769
		$ 11,340	$ 13,421
Gain/(loss) on disposals	Emco Distribution	$ 2,186	$ 44
	Emco Manufactured Building Products	2	(39)
		2,188	5
	Former Business	–	25,000
		$ 2,188	$ 25,005

GEOGRAPHIC AREAS	1999	1998
	(000s)	
Sales to outside customers:		
Canada	$ 1,103,841	$ 1,088,535
United States	138,458	149,451
Other	1,917	4,735
	$ 1,244,216	$ 1,242,721
Capital assets and goodwill:		
Canada	$ 125,314	$ 123,041
United States	16,947	18,178
	$ 142,261	$ 141,219

18. Future Accounting Policy Changes:

The Company will adopt the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") to account for income taxes, effective January 1, 2000. The expected impact on the consolidated balance sheet amounts is estimated to be a decrease to the opening balance of retained earnings of $526,000, an increase in property, plant and equipment of $9,780,000 and an increase in future tax liabilities of $10,306,000, which arise as a result of taxable temporary differences.

The Company will retroactively adopt the new recommendations of the CICA to account for employee future benefits, effective January 1, 2000. The expected impact on the consolidated balance sheet amounts is estimated to be a decrease to the opening balance of retained earnings of $981,000, an increase in the accrued benefit obligation of $1,784,000 and a decrease in future tax liabilities of $803,000.

19. United States Generally Accepted Accounting Principles:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in Canada which, in the case of the Company, conform in all material respects with GAAP in the United States, except as follows:

a) Canadian GAAP allows for the cost of post-retirement benefits other than pensions to be recorded as incurred by the retirees and paid by the employer. The United States Financial Accounting Standards Board (FASB) has issued Statement No. 106 (SFAS No. 106) which requires accruing, during the years that the employee renders the necessary service, the expected cost of providing such benefits to an employee and the employee's beneficiaries and covered dependants.

   Relevant post-retirement benefit plans exist only in Canada. It is estimated that if the Company had adopted SFAS No. 106 on a retroactive basis, 1999 net earnings would have decreased by approximately $0.7 million (1998 – $0.3 million) and shareholders' equity would have decreased by approximately $3.5 million (1998 – $2.8 million). This estimate assumes that recognition of the transition obligation would occur on a delayed basis.

b) Canadian GAAP and United States GAAP currently differ in the methodology employed to calculate pension expense. It is estimated that if the Company had adopted SFAS No. 87 on a retroactive basis, 1999 net earnings would have decreased by approximately $1.2 million (1998 - nil) and shareholders' equity would have decreased by approximately $0.8 million (1998 - increased by $0.4 million).

c) Canadian GAAP requires the principal amount of convertible debentures that may be settled on maturity with common shares of the issuer to be allocated between debt and equity in the manner described in note 1(f). Under United States GAAP, this allocation and the related charge to retained earnings, to reflect the increase in the present value of the equity component, is not required. The impact on net earnings under United States

GAAP would have been a decrease of $1.6 million (1998 – $1.4 million), while shareholders' equity would have decreased and the balance of subordinated debentures would have increased by $46.3 million (1998 – $43.7 million).

d) Canadian GAAP presently requires the use of the tax allocation method of accounting for income taxes. United States GAAP under SFAS No. 109 requires the use of the asset and liability method of accounting for income taxes.

Under SFAS No. 109, the Company's deferred tax asset as of December 31, 1999 would have been $6.5 million (1998 – $8.5 million), while its deferred tax liability would have been $35.4 million (1998 – $36.2 million). The impact on 1999 net earnings and retained earnings of adopting SFAS No. 109 would have been a decrease of $0.3 million and a decrease $0.5 million respectively. The impact on 1998 net earnings and retained earnings would have been a decrease of $2.3 million and $0.2 million respectively.

e) United States GAAP under SFAS No. 130 requires disclosure of comprehensive income, being the result of all changes in shareholders' equity during the year other than transactions with owners. Canadian and United States GAAP require the translation of assets and liabilities at the balance sheet date to be deferred and included in cumulative translation adjustments, as a separate component of shareholders' equity. The impact of cumulative translation adjustments reflected as a separate component of shareholders' equity on comprehensive income under United States GAAP would have been a decrease of $0.7 million (1998 – $3.3 million increase).

f) Under United States GAAP, the Company would have elected to continue to apply the provisions of Accounting Principles Board Opinion 25 "Accounting for Stock Issued to Employees" and accordingly the Company's stock options would not have given rise to compensation expense.

g) Under the financial reporting requirements of the United States Securities and Exchange Commission, a subtotal of operating earnings before a restructuring charge is not permitted.

h) In June 1998, FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes methods of accounting for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. The Company will be required to provide a reconciliation to SFAS No. 133 for its fiscal year ended December 31, 2001. The Company expects that SFAS No. 133 will have no material impact on its financial position, results of operations or cash flows.

A reconciliation of net earnings under Canadian GAAP to net earnings under United States GAAP is as follows:

	1999	**1998**
	(000s)	
Net earnings under Canadian GAAP	$ 10,688	$ 29,419
Add (deduct) impact of changes to:		
Cost of employee future benefits	(1,857)	(332)
Interest on convertible debentures	(1,554)	(1,425)
Income taxes	(307)	(2,309)
Net earnings under United States GAAP	$ 6,970	$ 25,353
Add components of other comprehensive income:		
Foreign currency translation adjustments	(692)	3,364
Comprehensive income under United States GAAP	$ 6,278	$ 28,717
Earnings per share under United States GAAP		
Basic	$ 0.33	$ 1.07
Diluted	$ 0.33	$ 1.00

Six year summary

	1999	1998	1997	1996	1995	1994[2]
Operating Results *(in thousands of dollars)*						
Sales	1,244,216	1,242,721	1,261,844	1,136,584	1,086,771	1,063,075
Operating earnings[1]	31,796	42,294	62,312	46,178	25,836	41,033
Interest expense	14,160	14,660	13,375	19,295	24,697	21,619
Earnings from continuing operations	10,688	29,419	30,612	17,811	199	17,899
Losses from discontinued operations	–	–	–	–	(19,350)	(14,448)
Net earnings (loss)	10,688	29,419	30,612	17,811	(19,151)	3,451
Cash provided by (used in) operations	15,333	128	37,212	65,253	11,707	26,550
Depreciation and amortization	12,820	13,064	15,345	14,843	13,811	12,124
Capital expenditures	11,340	13,421	23,060	19,509	23,456	19,908
Financial Position *(in thousands of dollars)*						
Total assets	561,580	548,891	545,438	457,122	475,085	586,215
Working capital	245,159	235,033	171,949	154,868	187,369	220,812
Accounts receivable	177,385	172,903	171,918	148,559	144,564	163,595
Inventories	215,345	211,284	208,145	149,096	162,350	154,863
Property, plant and equipment	116,099	117,375	123,481	131,539	134,385	124,799
Intangible assets	26,162	23,844	18,733	4,818	8,429	9,107
Debt	154,198	76,147	26,054	64,590	127,853	180,615
Subordinated debentures	59,052	61,471	131,281	108,550	113,550	113,550
Shareholders' equity	171,654	235,585	199,431	126,069	107,804	124,886
Common Share Data *(in dollars, except shares outstanding)*						
Net earnings (loss) per share - basic	0.43	1.18	1.28	0.76	(0.82)	0.15
Net earnings (loss) per share - fully diluted	0.43	1.09	1.21	0.76	(0.82)	0.15
Shareholders' equity per share	7.89	8.08	6.73	5.41	4.64	5.39
Stock price[3]:						
High	11.90	17.75	17.90	9.15	9.00	10.63
Low	5.25	6.60	8.75	4.85	4.63	7.50
Close	5.80	10.00	17.40	9.15	4.85	7.50
Shares outstanding at December 31 *(in thousands)*	15,893	23,758	23,495	23,319	23,239	23,163
Key Ratios						
Sales per employee	416,265	410,912	369,433	318,589	295,318	263,594
Operating earnings per employee	10,639	13,025	18,310	12,405	7,021	10,174
Total debt to equity	1.2	0.6	0.8	1.4	2.2	2.4
Total assets to total debt	2.6	4.0	3.5	2.6	2.0	2.0
Accounts receivable days sales outstanding	47	46	45	45	48	51
Inventory turns	4.3	4.3	5.6	5.4	4.9	5.1
Working capital turns	4.7	4.5	5.6	5.4	4.9	5.1

(1) Before restructuring charge in 1998.

(2) 1994 amounts are presented on a comparative basis to 1995 amounts.

(3) The Toronto Stock Exchange.

Corporate organization

Corporate Directors

- Frank M. Hennessey
  Chairman of the Board
  Emco Limited
  Vice Chairman and Chief Executive Officer
  MascoTech, Inc.
- David L. Johnston
  President
  University of Waterloo
- Douglas E. Speers
  President and
  Chief Executive Officer
  Emco Limited
- Raymond F. Kennedy
  President and Chief Operating Officer
  Masco Corporation
- Richard B. Grogan[1]
  Director
  Emco Limited
- Wayne B. Lyon
  Chairman
  Lifestyle Furnishings International, Ltd.
- D. Brian Harrison
  Chairman, A.T. Kearney Ltd. and Vice President
  A.T. Kearney Inc.
- David B. Weldon
  Director
  Emco Limited

[1] retired as Executive Vice President and Chief Financial Officer of Emco Limited effective February 25, 2000.

Corporate and Operating Executives

- Douglas E. Speers
  President and
  Chief Executive Officer
- Jaap J. Burck
  Vice President
  Audit Services
- Gordon E. Currie
  Vice President, Treasurer and
  Chief Financial Officer
- Roger K. Hollyman
  Vice President
  Corporate Development
- Walter D. LeGrow
  Vice President
  Human Resources
- Susan M. Rabkin
  Vice President
  General Counsel and Secretary
- Richard J. Fantham
  Senior Vice President
  Emco Distribution
- Robert P. Johnston
  Vice President
  Procurement
  Emco Distribution
- Bradford W. Latner
  Vice President
  Information Services
- Sheldon S. Leith
  Vice President
  Supply Chain
- John Wm. Ricketts
  President
  Emco Building Products
- Stephen McIlwaine
  President
  Metcraft Inc.

Committees of the Board

The Audit Committee is responsible for reviewing financial statements, reviewing the Company's financial reporting procedures, internal financial controls, the performance of the Company's internal audit department and external auditors, and reporting on these issues to the Board. Membership: David B. Weldon, Chairman, D. Brian Harrison, Raymond F. Kennedy.

The Human Resources Committee is responsible for reviewing succession plans, compensation of senior executives, compensation of directors, performance of directors, charitable donations and making recommendations to the Board on these matters. Membership: David L. Johnston, Chairman, Frank M. Hennessey, Wayne B. Lyon.

The Company's approach to corporate governance is outlined in its Management Information Circular.

Corporate information

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Share Listings
The Toronto Stock Exchange (EML)
The Nasdaq Stock Market (EMLTF)

Transfer Agents and Registrars
Common Shares & Debentures
Montreal Trust Company of Canada
Toronto

Co-Transfer Agent
Common Shares
The Bank of Nova Scotia Trust Co. of New York
New York

Auditors
KPMG LLP
140 Fullarton Street, Suite 1400
P. O. Box 2305
London, Ontario N6A 5P2

Duplicate Communication
Some registered holders of Emco Limited shares may receive more than one copy of shareholder mailings such as this Annual Report. So that duplicate mailings can be avoided in the future, shareholders are asked to please contact:

Danielle Teeter
Executive Assistant, Investor Relations
Telephone: (519) 645-3936
E-mail: dteeter@emcoltd.com

Annual Meeting
The Annual General Meeting of Shareholders will be held on Thursday, May 4, 2000 at 11:00 a.m. at The London Convention Centre, 300 York Street, London, Ontario, Canada.

Shareholders are encouraged to attend the meeting, but those unable to do so are asked to sign and return the form of proxy mailed with the Management Information Circular.

Interim Reports
Interim reports to shareholders, for the 2000 fiscal year, are scheduled for mailing in April, July, and October 2000 and February 2001.

Inquiries
Shareholders
For information regarding individual stock records, transactions, share certificates or stock transfers, please contact:
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or

Gordon E. Currie
Vice President, Treasurer and
Chief Financial Officer

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General Inquiries
To be added to a mailing list for Emco's publications, or to receive copies of the Annual Report, Annual Information Form, Management Information Circular, interim reports, or press releases, please contact:

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Édition française du rapport annuel
On peut se procurer la version française de ce rapport en en faisant la demande auprès du service aux investisseurs, à l'adresse mentionnée ci-dessus.

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